Recipient: _____

Copy Number: _____

C O N F I D E N T I A L P R I V A T E P L A C E M E N T M E M O R A N D U M

PURSUANT TO RULE 506
OF THE SECURITIES ACT OF 1933

VILLIJ MEDIA I, LLC

$200,000

20 Units of Limited Liability Interests at $10,000 per Unit

Minimum Investment: $10,000

FOR ACCREDITED INVESTORS ONLY

Villij Media, Inc.
6115 Selma Ave. Suite 203
Los Angeles, California 90028
(323) 319-4608

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

VILLIJ MEDIA I, LLC

$200,000

20 Units of Limited Liability Interests
at $10,000 Per Unit
Minimum Investment: Units ($10,000)

ACCREDITED INVESTORS ONLY

Villij Media I, LLC is a California limited liability company (the "Company") formed in May 2014 to finance, create and launch a Mobile Application (the "Application"). The manager of the Company is Villij Media, Inc., a California corporation (the "Manager"). The Manager is also expected to co-develop the Application. See "BUSINESS" and "MANAGEMENT."

The Company's principal investment objectives are to:

* ***Produce for profit a Customer Loyalty Application for the medical marijuana industry.***

* ***Earn revenue from the Application through transaction fees, in-app purchases, and advertising.***

* ***Provide periodic cash distributions to the Members and the Manager from the proceeds of revenue earned from the exploitation of the Application.***

* ***Sell the Company for a significant gain and distribute proceeds to the Members and the Manager in accordance with their interests.***

There is no assurance that the Company will achieve its investment objectives. This investment involves significant risk. See "RISK FACTORS."

The Company is offering 200 Units of limited liability interests (the "Units") to prospective investors (collectively, the "Members") for a purchase price of $10,000 per Unit. Members purchasing the first 20 Units ("Series A") will receive 20% ownership of the Company. See "DISTRIBUTIONS AND ALLOCATIONS."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price (1)	*Offering Costs (2)*	*Net Proceeds to the Company(3)*
Per Unit	$ 10,000	(2)	$ 10,000
Total(4)	200,000	(2)	200,000

**See footnotes on following page.*

The Date of this Memorandum is May 15, 2014

(1) This offering will terminate on November 15, 2014 unless extended by the Company for up to an additional 180 days (the "Sales Termination Date"). Subscription funds which are accepted by the Company will be deposited directly into a segregated operating account for its use as described in this Memorandum. The Company does not have a minimum capitalization requirement and therefore no subscription escrow account is being established for the offering. See "TERMS OF THE PLACEMENT."

(2) The Units will be offered on a "best-efforts" basis by the officers, directors and employees of the Company, and possibly by broker-dealers who are registered with the Financial Industry Regulatory Authority ("FINRA") and independent referral sources. As of the date of this Memorandum, the Company had not entered into any selling agreements with registered broker-dealers. Selling commissions may be paid to broker-dealers who are members of the FINRA and referral fees may be paid to finders with respect to sales of Units made by them or to investors referred by them. The Company may indemnify participating broker-dealers with respect to disclosures made in the Memorandum. See "PLAN OF DISTRIBUTION."

(3) The amounts shown are before deducting organization and other offering costs to the Company, which include legal, accounting, printing, due diligence, consulting, marketing and other costs incurred in the offering of the Units. See "USE OF PROCEEDS" and "PLAN OF DISTRIBUTION."

(4) The Units are being offered pursuant to Rule 506 of Regulation D of Section 4(2) of the Securities Act of 1933, as amended. The Units will only be sold to investors who are Accredited Investors, as that term is defined in Regulation D promulgated under the Securities Act of 1933, as amended. The Company has the option in its sole discretion to accept less than the minimum investment from subscribers who are also investors in affiliates of the Company and from a limited number of other subscribers.

THIS OFFERING OF SECURITIES IS BEING MADE PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION AVAILABLE IN RULE 506 OF REGULATION D PROMULGATED UNDER SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND PURSUANT TO THE NATIONAL SECURITIES MARKET IMPROVEMENT ACT OF 1996.

THE OFFER AND SALE OF THE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). NO UNITS MAY BE RESOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT, OR THE COMPANY HAS RECEIVED EVIDENCE SATISFACTORY TO IT THAT SUCH TRANSFER DOES NOT INVOLVE A TRANSACTION REQUIRING REGISTRATION UNDER THE ACT AND IS IN COMPLIANCE WITH THE ACT.

THE UNITS HAVE NOT BEEN QUALIFIED UNDER CERTAIN STATE SECURITIES LAWS IN RELIANCE UPON THE APPLICABLE EXEMPTIONS FROM REGISTRATION FOR PRIVATE OFFERS AND SALES OF SECURITIES. NO UNITS MAY BE SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS THE COMPANY HAS RECEIVED EVIDENCE SATISFACTORY TO IT THAT SUCH TRANSFER DOES NOT INVOLVE A TRANSACTION REQUIRING QUALIFICATION UNDER SAID STATE SECURITIES LAWS AND IS IN COMPLIANCE WITH SUCH LAWS.

THIS MEMORANDUM IS NOT KNOWN TO CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT, NOR TO OMIT MATERIAL FACTS, WHICH IF OMITTED, WOULD MAKE THE STATEMENTS HEREIN MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN. HOWEVER, THIS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, REFERENCE SHOULD BE MADE TO THE CERTIFICATION OF RIGHTS, PREFERENCES AND PRIVILEGES AND OTHER DOCUMENTS REFERRED TO HEREIN, COPIES OF WHICH ARE ATTACHED HERETO OR WILL BE SUPPLIED UPON REQUEST, FOR THE EXACT TERMS OF SUCH AGREEMENTS AND DOCUMENTS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION (OTHER THAN THAT CONTAINED IN ADDITIONAL WRITTEN DOCUMENTATION REFERRED TO HEREIN), OR TO MAKE ANY ORAL OR WRITTEN REPRESENTATIONS CONCERNING THE COMPANY OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM, OR OF ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS EMPLOYEES, AGENTS OR AFFILIATES, AS INVESTMENT, LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OWN COUNSEL, ACCOUNTANT AND OTHER PROFESSIONAL ADVISORS AS TO LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING HIS INVESTMENT.

STATE NOTICE REQUIREMENTS

NOTICE REQUIREMENTS IN STATES WHERE UNITS MAY BE SOLD ARE AS FOLLOWS:

1. **FOR CALIFORNIA RESIDENTS:** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND IS BEING MADE PURSUANT TO THE EXEMPTION FROM QUALIFICATION AVAILABLE UNDER THE NATIONAL SECURITIES MARKET IMPROVEMENT ACT OF 1996 OR, IN THE ALTERNATIVE, UNDER IN SECTION 25102(f) OF THE CALIFORNIA CORPORATIONS CODE FOR PRIVATE PLACEMENTS, AMONG OTHER PRIVATE PLACEMENT EXEMPTIONS.

2. **FOR FLORIDA RESIDENTS:** THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES. EACH FLORIDA RESIDENT WHO SUBSCRIBES FOR THE PURCHASE OF SECURITIES HEREIN HAS THE RIGHT, PURSUANT TO SECTION 517.061(11)(a)(5) OF THE FLORIDA SECURITIES ACT, TO WITHDRAW HIS SUBSCRIPTION FOR SUCH PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID WITHIN THREE BUSINESS DAYS AFTER THE EXECUTION OF THE SUBSCRIPTION AGREEMENT OR PAYMENT FOR THE PURCHASE HAS BEEN MADE, WHICHEVER IS LATER. WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT ITS ADDRESS SET FORTH IN THE TEXT OF THIS MEMORANDUM, INDICATING HIS INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THIRD BUSINESS DAY. IT IS ADVISABLE TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. IF THE REQUEST IS MADE ORALLY (IN PERSON OR BY TELEPHONE TO THE COMPANY AT THE NUMBER LISTED IN THE TEXT OF THIS MEMORANDUM), A WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED SHOULD BE REQUESTED.

SEE THE SUBSCRIPTION AGREEMENT FOR OTHER STATE NOTICES, IF APPLICABLE.

TABLE OF CONTENTS

INVESTMENT SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this Memorandum and its Exhibits. Each prospective investor is urged to carefully read this Memorandum and its Exhibits in their entirety including but not limited to the risk factors.

The Company

Villij Media I, LLC (the "Company") is a California limited liability company formed in May 2014 to finance, create and launch a Mobile Application (the "APPLICATION"). Villij Media, Inc., a California corporation, is the manager of the Company ("VMI" or the "Manager"). VMI is an independent development company formed in May 2013. The Company anticipates that VMI will co-produce the Application in consideration for its net profits interest in the Company and the development fees which have been included in the budgets of the Application. See "BUSINESS - Development Agreement with Villij Media, Inc." Once completed, the Application will be launched and marketed in all United States and foreign markets.

The Company will own all of the rights to the Application. The rights include ancillary rights for other uses of the Application. The Company may sell all of its rights or enter into third party domestic and international distribution agreements with unaffiliated third party distributors. If the Company sells all of its rights, it will likely pay a commission to the sales agent who facilitates the sale as well as a percentage of the net profits earned by the Company to unaffiliated talent. If the Company enters into a third party distribution, the distributor will likely receive reimbursement of its advertising costs from the first gross revenues earned by the Application, as well as an interest in the gross revenues or net profits from the Application. The Company would receive the balance of the revenue generated from the Application, subject to net profit arrangements with unaffiliated talent. The Manager anticipates that the Company's net profit arrangements with unaffiliated talent will not exceed a total of 25%. There is no assurance that the Company will obtain distributors for or sell the rights to any of the Application. See "BUSINESS - Domestic and International Distribution."

The executive offices of the Company and the Manager are located at 6115 Selma Avenue, Suite 203, Los Angeles, California 90028, and the telephone number is (323) 319-4608.

Investment Analysis

The Manager believes that the Company's investment program has economic potential for the following reasons, although there is absolutely no assurance that the Company will be economically successful:

I. A large emerging demand for legalized medical marijuana.
II. A trend toward legalization of medical marijuana (MMJ) in the US
III. An underserved market for mobile applications in this industry.
IV. A recent industry survey indicating the desire for MMJ customer loyalty programs
V.. The lack of significant competition in this niche
VI. The financial success of the free-to-play business model for mobile applications

Risk Factors

Investors should carefully consider the various risk factors before investing in the Units. See "RISK FACTORS."

The Offering

The Company is offering 20 Units of limited liability interests for a purchase price of 10,000 per Unit. Pursuant to the Company's Operating Agreement, a copy of which is included with this Memorandum as Exhibit A, Members purchasing the first 20 Units ("Series A") will receive 20% of the Company. The percentage allocations between the Manager and Members are subject to proportionate adjustment to the extent that the Company sells more or less than 20 Units and consequently raises more or less than $200,000 of capital in this offering. See "DISTRIBUTIONS AND ALLOCATIONS." The Company's sources of revenue are expected to be through subscription fees, in-app purchases and advertising.

USE OF PROCEEDS

The Company will seek a maximum of $200,000 in gross proceeds. The net proceeds from the offering are expected to be approximately $170,000 after the payment of offering costs including but not limited to printing, mailing, legal, and accounting costs, as well as potential selling commissions and referral fees that may be incurred. The following table sets forth the estimated budget for the Company.

Capital Requirements	Budget
Start-up and Promotional Capital Costs	$ 5,000
Development Costs (1)	$ 100,000
Cost of Capital Offering and Closing	$ 25,000
Legal and Professional	$ 10,000
Promotion & Marketing (2)	$ 40,000
Overhead Costs (3)	$ 20,000
Total Capital Required	$ 200,000

(1) The Manager of the Company, Villij Media, Inc., or its designees, will receive a portion of developer fees in consideration for co-developing the Application. The developers' fees include allocated salaries among the executive officers of the Manager who work on the Application.

(2) Marketing & Promotion costs include costs associated with the creation and expansion of the Application, online promotion of the Company and the Application through websites, video games, blogs, and online advertising, as well as additional expenses for promotion of the Application.

(3) Overhead costs represent the Company's and Manager's projected general and administrative costs that it and the Manager expect to incur during the two year period that is estimated for the development, marketing and distribution of the planned Application..

(4) The Manager reserves the right in its discretion to cause the Company to reallocate its capital among the different expense categories and in varying amounts.

The Company has the right to allocate different amounts of the net proceeds. The budgets set forth in the table above are an estimate only and the proceeds of this offering of Units may be allocated differently as determined by the Manager.

BUSINESS

General

The Company is engaged in the business of financing, creating and exploiting for profit a Mobile Application (the "Application"). The manager of the Company is Villij Media, Inc., a California corporation (the "Manager"). The Manager is also expected to co-develop the Application. See "BUSINESS" and "MANAGEMENT."

The Company will own all rights to the Application for at least five years from the close financing, except to the extent the Company enters into net profit arrangements with unaffiliated talent or licenses or assigns certain rights to distributors who agree to market the Applications on behalf of the Company. In this regard, the Company plans to make domestic and international distribution agreements with unaffiliated third party distributors to license the Applications in domestic and foreign markets. Alternatively, the Company may sell all of its rights to one or more of the Applications. If the Company sells all of its rights to a Application, it would likely pay a commission of 10% of the purchase price to the sales agent who facilitates the sale as well as a percentage of the net profits earned by the Company to unaffiliated talent. The Manager anticipates that the Company's net profit arrangements with unaffiliated talent will not exceed a total of 25%. There is no assurance that the Company will be able to generate in-game transactions for the Application or sell any of the Application, obtain any distributors for the Applications, or that the Application will be exhibited in any media. See "BUSINESS - Domestic and International Distribution" and "RISK FACTORS."

The Application

The Application will be a customer loyalty program for legalized marijuana dispensaries in the United States. Dispensaries can offer customized services including rewards programs, personalized catalogs, prescription reminders and records of dosage and efficacy. Users can find discounts on their preferred products, and find dispensaries based on location, product, deals, ratings and more. Users can earn points with purchases; refill prescriptions by name, prescription number, or by scanning a barcode from the prescription bottle; receive notifications when prescriptions are ready, and when special promotions are available.

Schedule

The Company will seek to achieve the following milestones with respect to the development, production, distribution, and marketing of the Application:

- 2014: Secure capital for the Application.
  Create and launch the Application.
  Iterate the Application to maximize retention
- 2015: Scale the user base
- 2016: Expand the product offerings
- 2017: Sell the Company

Overview of Legal Cannabis Industry

(Source: The 2014 Medical Marijuana Factbook, *Marijuana Business Daily*)

Cannabis Marketplace Size & Forecasts

Note: These estimates reflect sales of marijuana, infused products and related goods to patients and consumers through dispensaries and retail stores in states that have legalized marijuana for medical and/or recreational use, but not transactions between caregivers and patients or revenues from ancillary businesses. See the methodology section at the end of this chapter for more information on the calculations used in these estimates.

■^ **Historical Summary:** In 1996, nearly 60 years after the US government outlawed marijuana, California became the first state to legalize cannabis for medical use. Since then, 20 additional states as well as Washington DC have followed suit, as of this date. Two of those states - Colorado and Washington - also recently legalized marijuana use for adults 21 and over, ushering in a new era for the marijuana industry.

Despite the growing number of states involved, the medical marijuana industry remained fairly small for years, with only a limited number of dispensaries - primarily in California – operating under the constant threat of government raids.

A big breakthrough came in 2009 in the form of the so-called "Ogden Memo," a document instructing federal prosecutors to refrain from focusing their resources on prosecuting medical cannabis operations in states with MMJ laws. Entrepreneurs saw this as a tacit green light from the government. That led to the opening of several thousand dispensaries across the country, creating the industry as we know it today.

The industry grew erratically thereafter due to legal limitations, federal and local crackdowns, constantly changing regulations, a lack of business experience and a reluctance from the investor community to pump money into cannabis companies. An anticipated breakout year in 2011 never materialized, as the climate soured considerably by mid-year. The industry subsequently shrank by an estimated 15-20% as hundreds of dispensaries closed and patient numbers dropped in some states.

Battling back, the industry hung on through 2012, then ended the year on an extremely upbeat note when Colorado and Washington State legalized marijuana for recreational use - a historic moment that changed the entire climate for cannabis and boosted optimism significantly. This momentum continued throughout 2013, with the industry notching several huge wins including:

• The U.S. Department of Justice issued a groundbreaking memorandum (dubbed the 2013 Cole Memo) essentially giving the green light to the medical and recreational cannabis industries, so long as states implement strict regulations and oversight.

• Illinois, Maryland and New Hampshire all legalized medical marijuana use to some degree.

• Delaware, Nevada and Oregon - all of which had MMJ laws on the books already - moved forward with plans to allow dispensaries and related businesses to open under tight regulations.

• Massachusetts and Connecticut - which legalized medical marijuana in 2013 – made significant progress with their dispensary programs, setting the stage for the first centers to open in 2014.

• The 2nd Annual National CannaBusiness Conference & Expo attracted more than 700 business leaders, entrepreneurs and investors, rating as the largest industry gathering of its kind in history. (Note: Marijuana Business Daily - which publishes this report - produces the show). The event is expected to attract around 1,500 participants when it next convenes in November 2014.

• Colorado finalized rules for its recreational marijuana program and began issuing business licenses, while Washington State hammered out some key retail cannabis regulations.

By early 2014, dispensaries existed in 12 states plus Washington DC, while half-a-dozen additional states were laying the groundwork for dispensaries to open within the next two years. Additionally, on Jan. 1, Colorado became the first state in the nation to allow recreational marijuana sales to adults via state-licensed shops. Demand

was much higher than many initially predicted, with sales topping $14 million in the first month alone - despite the fact only a few dozen shops were operational out of the hundreds expected to open through the course of the year.

Washington State began issuing cultivation licenses in early 2014, and (as of March) recreational sales were scheduled to begin in the summer.

Other medical marijuana states saw growth in early 2014, while some newer MMJ markets began developing rules for their dispensary programs or started awarding business licenses.

The federal government also released new guidance for financial institutions when dealing with marijuana companies, which could provide some banking relief for the industry.

2014 Market Estimate: $2.2 billion-$2.6 billion

We expect a 60% spike in overall marijuana sales in 2014. Medical cannabis revenue will rise by a projected 10%-15% - or roughly $200 million to $300 million - to hit $1.6 billion-$1.9 billion. The uptick will be fueled by growth in existing states (such as Arizona and Oregon) and the start of MMJ sales in other markets including Connecticut and Massachusetts throughout the year. While several states - such as Florida, New York and Minnesota - could legalize medical marijuana in 2014, it would be well into 2015 or 2016 until these new markets develop and dispensaries open.

Recreational sales are estimated at around $575 million to $675 million for Colorado and Washington State.

2015 Market Forecast: $3.1 billion-3.7 billion

Our projections show a 40% uptick in overall marijuana sales in 2015. The medical marijuana market is expected to rise by about $250 million-$300 million - reaching roughly $1.9 billion-$2.3 billion - as dispensary programs mature in Connecticut and Massachusetts and new states such as Illinois and New Hampshire come online. A handful of other states with existing dispensaries, including New Mexico, are expected to expand their MMJ programs.

With a full year of sales in Washington State on the books and continued growth in Colorado, the U.S. recreational marijuana market is projected to double, hitting $1.2 billion-$1.4 billion.

Several other states could legalize cannabis for medical or adult use in 2015, but we do not expect much of a retail sales impact until late 2016 or 2017.

Extended Forecast - Marijuana Market in 2018: $7.4 billion-$8.2 billion

We expect some sizable growth in the marijuana industry by 2018, with sales more than tripling from 2014 levels. The national elections in 2016 are particularly promising for the industry. Cannabis advocates in numerous states are planning to take advantage of higher voter turnout in a presidential election year by getting marijuana-related measures on the ballot. We expect at least one state will legalize medical marijuana and 3-4 will legalize recreational cannabis in 2016, the impact of which would hit the industry in 2018 and beyond. (We also anticipate that several more states will legalize recreational marijuana in 2017 and 2018, though those wouldn't affect overall sales to a large degree until at least 2019.) Revenues also are expected to continue to grow steadily in established cannabis markets. In 2018, we forecast that recreational sales will hit between $3.8 billion and $4.2 billion, finally eclipsing medical cannabis revenues (projected at $3.6 billion-$4.0 billion).

Total Long-Term Market for Recreational Marijuana: $40 billion-$45 billion

The national market for marijuana could hit $40 billion-$45 billion if every state and the District of Columbia legalize recreational cannabis, based on long-term projected sales data in Colorado and Washington and other estimates for general marijuana usage.

Key Risks for Marijuana Businesses

Everyone in this industry faces unique and significant risks that can carry both professional and personal repercussions. Businesses that make marijuana-infused products face the most challenges. But don't let that fool you: Even companies that don't handle cannabis take on immense risks, as do investors. Professionals with

backgrounds in other industries should approach cannabis with a fresh mindset, as the risks are unlike those in any other sector.

#1. Federal Laws Although individual states have passed laws that allow the production and sale of marijuana for medical purposes, cannabis is still 100% illegal at the federal level. Owners of dispensaries, retail stores, cultivation sites and infused products companies - as well as their employees - could face criminal prosecution, fines and even jail time. Investors who have backed these operations could theoretically get into legal hot water as well, although this hasn't happened to date. While the federal government has indicated recently that it will take a hands-off approach to cannabis operations that are complying with state regulations, this is by no means a hard-and-fast law. The risk of federal intervention, while slightly diminished, is still a very real possibility.

#2. State, Local Laws State regulations covering the industry can - and do - change frequently, altering the landscape and sometimes saddling businesses with unforeseen costs. Local officials - or citizen-voted moratoriums - could at any time try to ban licensed cannabis businesses, prevent new ones from opening, force them to close or, in a worst-case scenario, repeal the entire medical cannabis law. These types of actions ripple through the business community. If a dispensary or grow site is forced to close, all its vendors and suppliers suffer, and investment money pumped into the operation goes up in smoke.

#3. Raids, Civil Forfeiture Federal and locals agents have raided MMJ operations in almost every state with dispensaries, confiscating marijuana and at time arresting owners and employees. In some cases, the government targets dispensaries that are violating state medical marijuana laws – such as selling cannabis to those without patient cards. In other cases, however, agents have raided reputable operations in good standing in the community, and the government has never fully explained the reasons for its actions. Hundreds of landlords have also received civil forfeiture notices from the government, telling them to boot their dispensary/cultivation clients or risk having their assets seized. Raids and forfeiture threats have ebbed as of late, but in the past there have been periods of quiet followed by a flurry of enforcement actions.

#4. Security Law enforcement officials are not the only ones raiding grow and retail facilities. According to anecdotal evidence, the criminal element is also targeting the cannabis industry. Some of this is due to the fact that cannabis is a heavy-cash business with a product that's easy to resell on the street, and thus enticing for robberies. Some of it is due to the fact that black market leaders feel threatened by the success of state-licensed businesses.

#5. Volatility: This industry is not for the faint of heart. Each day brings new challenges, opportunities, setbacks and surprises. Uncertainty - the biggest enemy of business - is a fact of life in the cannabis industry. Just when everything seems to be going well, the bottom can fall out. Alternatively, just when the situation seems most dire, the situation can brighten quickly. Either way, prepare for a roller coaster ride. Cannabis businesses that embrace change, rather than fight it, stand the best chance of success.

#6. Competition Make no mistake: The cannabis industry is highly competitive, and many businesses fail to reach operational solvency due to their inability to attract and maintain a large customer base as the market matures. Others start off quickly but fail to adapt when the competitive landscape changes.

#7. Business Management Regulations and security requirements can push average costs into the stratosphere. In addition, there's significantly more red tape to manage as a startup and as an ongoing concern in the marijuana industry. Compliance can eat up most of your time and resources, making it harder to focus on the product and the customer.

#8. Financial Challenges Businesses that handle marijuana have an extraordinarily tough time with all things financial, from landing loans and securing investments to opening a business bank account and handling customer payments. Many dispensaries, for example, are forced to employ an all-cash business model, which creates a host of challenges and risks in various areas such as security and financial recordkeeping. Even ancillary businesses that never touch cannabis encounter these obstacles as well. Additionally, the financial aspects of some regulations - mandatory testing, security requirements, application and licensing fees, etc. – can be back-breaking. While the opportunities are greater than ever, so are the startup costs.

#9. Stigma: Although it's changing, there's still a social stigma surrounding the cannabis industry and the drug in general. Establishing strong community relationships can be difficult, and investors and professionals may experience reputational repercussions. Other firms might also shy away from doing business with you. For example, Facebook regularly shuts down ad campaigns from cannabis-related businesses, and Google limits cannabis ads to a small slice of its audience.

Key Federal Legislation

Lawmakers have proposed numerous bills in the House and Senate that focus on marijuana. Here is a quick rundown of several measures that could impact the industry:

• H.R. 2652 The Marijuana Business Access to Banking Act

Introduced by Colorado Rep. Ed Perlmutter, the bill would prohibit federal banking regulators from terminating or limiting banks from providing services to state-legal marijuana businesses, and it would grant immunity from federal criminal prosecution or investigation to banks that do business with marijuana companies. Regulators would be barred from offering incentives or otherwise encouraging banks to not work with marijuana businesses, and regulators could not withhold deposit insurance from these banks. Additionally, banking regulators could not take action on loans provided to marijuana businesses. The bill has been stuck in committees since it was introduced in July 2013.

• H.R. 2240 The Small Business Tax Equity Act

Introduced by a group of marijuana-friendly lawmakers, the bill would amend section 280E of the IRS tax code to allow state-legal marijuana companies to deduct marijuana- related business expenditures on their taxes. The bill would accomplish this by adding the clause, "unless such trade or business consists of marijuana sales conducted in compliance with State law" to the 280E section of the code. The bill has also been stuck in committee hearings since it was introduced in June 2013.

• H.R. 1523: Respect State Marijuana Law Act of 2013

Proposed by California Rep. Dana Rohrabacher, the bill would essentially amend the Controlled Substances Act to prevent the federal government from targeting marijuana businesses in states that have legalized cannabis for medial or recreational purposes. The bill would amend the Federal Controlled Substances Act by adding the following statement to the section regarding marijuana: "Notwithstanding any other provisions of law, the provisions of this subchapter related to marihuana shall not apply to any person acting in compliance with State laws relating to the production, possession, distribution, dispensation, administration, or delivery of marihuana."

• H.R. 499: Ending Federal Marijuana Prohibition Act of 2013

Proposed by Colorado Rep. Jared Polis, this bill would remove marijuana from the list of Controlled Substances under the Federal Controlled Substances Act altogether. It would also have the Bureau of Alcohol, Tobacco, Firearms and Explosives oversee marijuana, rather than the Drug Enforcement Administration. Finally, the law would require people and companies that produce and sell marijuana to be permitted by the federal government. States could still make their own decisions about legalization at the state level.

• H.R. 689: States' Medical Marijuana Patient Protection Act

Proposed by Oregon Rep. Earl Blumenauer, this bill would require the secretary of Health and Human Services to recommend marijuana be removed from the Controlled Substances Act (CSA), and the DEA to propose rules for rescheduling marijuana within the act. Also, it would prevent any provision of the CSA from prohibiting the use of medical marijuana in states where it is legal. Finally, the bill would require the attorney general to delegate control of medical marijuana research to an entity under the executive branch, which would uphold research of the plant.

• H.R. 710: Truth in Trials Act

Proposed by California Rep. Sam Farr, the bill creates enhanced legal protection for valid medical marijuana patients who have been prosecuted under federal laws. Under the bill, anyone facing marijuana-related prosecution could introduce evidence that demonstrates they were acting in accordance with local medical marijuana laws. Also, any property (including marijuana plants) seized during the prosecution of a marijuana offense would be returned if the defendant succeeds in court. The government could not destroy marijuana plants while a defendant is engaged in a court case

• H.R. 784: States' Medical Marijuana Property Rights Protection Act

Introduced by California Rep. Barbara Lee, the bill amends the Controlled Substances Act to prevent federal officials from seizing property used by medical marijuana dispensaries. This includes marijuana plants, growing equipment and other marijuana-related projects, such as edibles, infused products and oils.

• H.R. 1635: National Commission on Federal Marijuana Policy Act

Introduced by Tennessee Rep. Steve Cohen, the bill would create a commission to deter mine the best way to resolve the conflict between federal law and state laws that legalize medial or recreational marijuana use. The commission would review how federal policy should interact with state laws; the cost of marijuana prohibition as well as the potential tax revenue generated by legal marijuana businesses; the health impacts of marijuana use and how that compares to alcohol and tobacco use; the impact of marijuana prohibition on the criminal justice system and the appropriate placement of marijuana on the CSA.

Mobile Applications

The mobile application business is a highly complex and competitive business involving both creative and commercial considerations with substantial risks. The industry consists of two principal activities: production, which involves the development, financing, and production of applications, and distribution, which involves the promotion and exploitation of completed applications in a variety of formats. Each entity involved in application production and distribution is a separate business venture, with its own management and personnel, its own budgetary constraints, and its own method of producing or exploiting applications.

The concept of a singular online entertainment industry is a bit overwhelming, for its segments are diverse and sprawling: websites ranging from e-production companies to video aggregators to web 2.0 entertainment news portals can all be classified under the industry's umbrella. Applications make up a significant percentage of online revenues with games like "World of Warcraft" boasting over 15 million registered, paying members.

The initial production of the Application takes place in four stages: Development and Finance, Alpha testing, Beta testing and Launch. Subsequent expansions, however, will be frequent and occur after the Application has been launched.

Development and Finance

Typically in the development stage, a designer will create an outline and basic foundation for the online landscape. If necessary, they can option rights to a property to base the Application around. At this point, if not already arranged, the creators must secure financing for the site. A prototype of the eventual Application can be created to assist in obtaining financing.

Alpha

After funding has been obtained, a small-scale playable version of the Application is built with the basic infrastructure and a sample of activities and options that will be available in the finished product. Initial testing and adjustiments are performed by software designers with an eye towards building on early successes and eradicating any problems.

Beta

Following a successful round of Alpha Testing, designers expand the Application and insert all of the design elements created during development. A complete and consumer-ready version of the Application is privately launched and accessed by a large controlled group of testers and designers. The purpose of these Beta-tests are to catch any problems or potential "bugs" within the software. This is the last step before the launch of the Application and every feature and design element is put to the test.

Launch

Upon completion of Beta Testing, the Application is ready to be launched. The restrictions are lifted and the site is opened to the public. A marketing campaign that will most likely coincide with the initial release of an Application will mark the launch. Revenues will begin almost immediately with money coming from, among other sources:

In-App Purchases: Within the APPLICATION there is a virtual economy that allows for purchases to be made within the software. The virtual currency that a user needs is available through a real-world, physical transaction using actual money. A user's time in the Application is enhanced through these purchases, which allow them to customize their utility and features.

Property

The Manager presently leases office space in Los Angeles, California, where it shares its executive offices with the Company. The Manager leases the space pursuant to a one-year lease at a base rental rate of approximately $1,000 per month, with annual increases equal to the percentage annual change in the applicable Consumer Price Index. The latest lease commenced in 2013. The Company may bear a pro rata portion of the office rent, depending on the percentage of the Manager's overall business which is represented by the Company's projects.

DISTRIBUTIONS AND ALLOCATIONS

Pursuant to the Company's Operating Agreement, cash available for distribution will be distributed as follows:

I. Cash available for distribution will be allocated (a) 20% to the holders of Series A Units, subject to proportionate adjustment in the event less than (adjust downward) or more than (adjust upward) $200,000 of Series A Units are issued, (b) 20% to third parties at the discretion of the Manager,, and (c) 60% to the Manager, adjusted in accordance with the adjustments in percentage allocations to Series A and Series B holders to result in accounting for 100% of cash available for distribution.

II. Commencing July 1, 2016, the Manager will cause the Company to distribute at least 50% of all cash available for distribution that is realized after that date.

The Company will use its best efforts to avoid the allocation of phantom income (i.e. taxable income without corresponding cash distributions) to the Members and Manager, although such risks are inherent in limited liability companies. All net revenue from the Application will be deposited with the Manager and used as working capital to continue the production schedule. Cash distributions, if any, from the Application will be made by the Manager. A copy of the complete Operating Agreement for the Company is attached to this Memorandum as Exhibit A.

RISK FACTORS

The purchase of the Units involves significant risks. Each prospective investor should carefully consider the following risk factors, in addition to any other risks associated with this investment, and should consult with his own legal and financial advisors.

Cautionary Statements. The discussions and information in this Memorandum may contain both historical and forward-looking statements. To the extent that the Memorandum contains forward-looking statements regarding the financial condition, operating results, business prospects or any other aspect of the Company, please be advised that the Company's actual financial condition, operating results and business performance may differ materially from that projected or estimated by the Company in forward-looking statements. The differences may be caused by a variety of factors, including, but not limited to, adverse economic conditions, intense competition, cost overruns in producing and marketing the Application, unavailability of qualified talent for the products, loss of talent previously committed or interested in the products, inability to obtain distribution or any release for the Application, absence of qualified distributors or licensees, lack of customer acceptance of the Application, termination of contracts, lack of experience in the Company and in the Manager, government regulation, inadequate capital, unexpected operating deficits, lower sales and revenues than forecast, the risk of litigation and

administrative proceedings involving the Company, adverse publicity and news coverage, inability to carry out marketing and sales plans, loss or retirement of key executives, changes in interest rates, inflationary factors, and other specific risks that may be alluded to in the Memorandum, including those set forth under "RISK FACTORS" in the Memorandum.

Limited Operating History - New Business. The Company was formed to finance the creation of the Application and the development of the Application. The Company has no earnings or gross revenues to date. The Company has a limited operating history. Although the founders of the Manager have experience in producing applications, the Manager is recently formed and has a limited operating history. See "MANAGEMENT." The Company has limited assets and limited working capital. See "FINANCIAL STATEMENT OF THE COMPANY." There is no assurance that the Company or any of its projects will be profitable or will earn revenues, or that the Company will have sufficient capital to implement its business plan. See "BUSINESS - General."

Speculative Business. The software industry is extremely competitive and the commercial success of an application is often dependent on factors beyond the control of the Company, including but not limited to audience preference and distributor acceptance. There is no assurance that the products will complete development or be distributed. The Company may not be able to engage or retain qualified talent to complete the products, including programmers and other development personnel. The Company may experience substantial cost overruns in completing production and marketing the products. Competent distributors or joint venture partners may not be available to assist the Company in its financing and marketing efforts for the Application, if required. The Company may not be able to sell or license the Application because of industry conditions, general economic conditions, competition from other developers, or lack of acceptance by distributors, and audiences. The Company may also incur uninsured losses for liabilities which arise in the ordinary course of business in the software industry, or which are unforeseen, including but not limited to copyright infringement, product liability, and employment liability. There is no assurance that Members will not lose their entire investment in the Company. See "BUSINESS."

Release of the Application. The Application may not receive distribution in key online stores. The Applications would therefore not receive the notoriety and the gross revenue potential could be substantially lower than if the Application were distributed in the key stores. There is no assurance that any exhibitor will license the Applications or that they will earn any revenues.

Substitution of Application. The Company has the right, in the Manager's sole discretion, to substitute a different Application in lieu of the Application presently planned. There is no assurance that qualified substitute personnel could be recruited, or that substitute application could be acquired, developed or distributed.

Reversion of Ownership of Applications. Ownership of each Application will revert to the Manager on a date seven years from the date on which that Application is first released for exhibition in any medium, provided Recoupment to the Members has been achieved. After ownership of a Application reverts to the Manager, Members will receive no further cash flow, if any, from that Application.

Absence of Immediate Revenues. The Company anticipates that it will incur substantial operating losses relating to the production and distribution of the Application until the Company is able to generate adequate revenues from the Application, of which there can be no assurance. There can be no assurance that Members will realize any return on their investment or that Members will not lose their entire investment.

Risks of Software Product Development and Distribution. The development and distribution of applications and other software products involve a substantial degree of risk. Production costs are often miscalculated and may be higher than anticipated due to reasons or factors beyond the control of the Company (such as delays caused by labor disputes, illness, accidents, strikes, faulty equipment, death or disability of key personnel, destruction or damage to the software itself, or bad weather). Accordingly, the Company may require funds in excess of an anticipated budget in order to complete production. Although the Company will seek to obtain customary insurance to protect the Company against some of these risks, the Company does not plan to obtain completion bonds. Accordingly, investors will bear the entire risk that a production does not have sufficient funding to be completed.

Risks of Application Distribution. There is no assurance that the Company will be successful in securing one or more distributors to distribute the Application if it is completed. Furthermore, even if a distributor distributes a Application, there is no assurance that the Application will be an economic success even if it is successful critically or artistically. While it is the intent of the Company that any sale of distribution rights will be for fair value and in accordance with the standards and practices of the application industry, no assurance can be given that the terms of such agreement will be advantageous to the Company. In fact, unless an Application is an artistic success, the Company will clearly be at a disadvantage in its negotiations. Moreover, distribution agreements generally give a distributor significant flexibility in determining how an application will be promoted. There can be no assurance that a distributor will not limit an application's run, limit the territories in which an Application is exhibited or otherwise fail to promote an application actively. Any such action by a distributor could have a material adverse effect on the economic success of such application and the revenue received by the Company. There can be no assurance of ancillary or foreign sales of an application. In the event that an application is distributed in foreign countries, some or all of the revenues derived from such distribution may be subject to currency controls and other restrictions which would restrict the available funds. Even if all territories, both domestic and foreign, are sold, there can still be no assurance that the Application will succeed on an economic level. If the total production costs exceed the total worldwide minimum guarantees or minimum advances, if any, there may be problems which could adversely affect the Company's ultimate profitability, including: public taste, which is unpredictable and susceptible to change; competition for theaters; competition with other applications and other leisure activities; advertising costs; uncertainty with respect to release dates; and the failure of other parties to fulfill their contractual obligations and other contingencies. In any event, any net profits from an application and cash flow cannot be realized, if at all, until many months after the Company's expenditure for the Application. The Company will most likely attempt to retain a sales agent to sell the foreign rights to the Application. No assurance can be given that the Company will actually be able to obtain a sales agent, that a sales agent, if obtained, would be able to sell any rights to the Application, or that if such rights are sold they will be on terms advantageous to the Company.

Manager Has Limited Experience and Operating History. Villij Media, Inc. was formed in May 2013 as an independent media company. Although the officers of the Manager have participated in the development of several applications in the past, the Application will be Villij Media, Inc.'s first wholly-owned Application. Accordingly, Villij Media, Inc. has limited assets and limited working capital and its officers have limited experience in the software industry. Consequently, there is no assurance that Villij Media, Inc. will have sufficient capital to produce the Application.

Exposure to Worldwide Economic Conditions. It is intended that any international or domestic distributors obtained by the Company will sublicense the Application to foreign and domestic distributors for exhibition in their respective territories. Consequently, the value of the Application's rights as determined by such distributors would be dependent upon many factors including the economic conditions in such distributors' territory. Economic downturns, changes in the currency exchange rates and changes in economic forecasts of any or all of the individual territories may have a material adverse impact on the Company. Investors should note that economic disruptions in Southeast Asia and Eastern Europe may impact the prospect for licenses in such territories. Even if distribution agreements are obtained for certain territories, economic changes in any territory could effect the ability to complete any transaction. In recent years, many buyers in Korea and Eastern Europe have either renegotiated existing agreements or completely defaulted under them.

Pre-Sale Agreements: Sale of Territorial Distribution Rights: Limited Availability of Proceeds From Exploitation of Software In Territories Where Pre-Sales Have Been Made to Raise Development Financing. The Company may obtain a portion of the development financing for an application by some combination of joint ventures or the pre-sale of rights for the exploitation of the Application in one or more territories. The Company has the right to sell at any time, including prior to the production of such Application, the distribution rights to such Application in any territory which it, in its sole discretion, deems appropriate. To the extent that pre-sale agreements (whether with respect to the foreign or domestic market) are necessary to obtain a portion of the development financing, the proceeds of any such pre-sale agreement will not be available for distribution by the Company. Instead, only the additional amounts which such a distributor would remit to the Company after such distributor recouped the minimum guarantee payable with respect to such pre-sale agreement, plus a distribution fee and the reimbursement of expenses, would be available as cash flow to the Company. The pre-sale of the right to exploit an application in certain territories will ultimately dilute the market potential for that application.

Possible Inadequacy of Company Funds. The Company will have limited capital available to it. If the entire original capital is fully expended and additional costs cannot be funded from borrowings or capital from other sources, then the Manager may cause the Company to sell all or a portion of its interest in one or more of the Application. Further, a shortage of funds may prevent or delay the Company from completing the development and distribution of the products. Although the Manager has planned for all of the expected development costs, funds are not currently budgeted for the distribution of the Application since the Company is currently relying on the potential availability of third party distributors to finance the marketing of the Application in exchange for a gross revenue interest in that Application. There is no assurance that the Company will have adequate capital to conduct its business. See "RISK FACTORS - Risk of Cost Overruns" and "RISK FACTORS - No Minimum Capitalization."

Deferrals. The Manager may arrange for services to be provided to the Company for the production and distribution of the Application for which reduced or no compensation will be initially required, it being understood that the provider of such services will be compensated by the Company for the value of such services from the cash flow of the Company. The value of such deferrals will be negotiated and documented by the Manager prior to the provision of such services to the Company.

Competition. The entertainment industry is characterized by intense competition. The Company will be subject to competition from other developers and distributors including major studios, many of which have greater financial resources and management experience and expertise than the Company. All aspects of the entertainment industry are highly competitive. The Company faces competition from "major" studios and other independent application companies and publishing companies not only in attracting creative, business and technical personnel for the production of the Application. Virtually all of these competitors have substantially greater experience, assets, and financial and other resources than the Company, and have worldwide distribution organizations in place. There is no assurance that the Company will be able to compete in the entertainment business successfully or profitably. See "BUSINESS - Competition."

Risk of Dilution of Ownership in the Company. The Company has the right to raise additional capital or incur borrowings from third parties to finance the distribution and marketing of the products, in excess of the maximum capital which can be raised from the sale of Units. The Company expects to convey a net profits interest, not expected to exceed a total of 25%, in the Application to unaffiliated talent, including programmers and artists, as partial compensation for their services. The Company may also convey a gross revenue interest in each application to the domestic distributor if a domestic distributor is secured or to the international distribution if an international distributor is secured. The Company is subject to the risk of experiencing additional dilution of its ownership in the Application pursuant to separate agreements that it may enter into from time to time for the completion of the Application, or for the sale, distribution, marketing and licensing of the Application. The Manager has the right in its sole discretion to increase the budgets of the Application. Regardless, the Company may experience cost overruns in developing, producing and marketing the Application. See "BUSINESS."

Financial Projections. Financial projections concerning the estimated operating results of the Company may be included with the Memorandum. The projections would be based on certain assumptions which could prove to be inaccurate and which would be subject to future conditions which may be beyond the control of the Manager or the Company, such as general industry conditions. The Company may experience unanticipated costs, or anticipated sales may not materialize, resulting in lower revenues than forecasted. There is no assurance that the results illustrated in any financial projections will in fact be realized by the Company. The financial projections would be prepared by the Manager and have not been examined or compiled by independent certified public accountants. Accordingly, neither the independent certified public accountants nor counsel to the Company are providing any level of assurance on them.

Liabilities. The Company may have liabilities to affiliated or unaffiliated lenders. These liabilities would represent fixed costs which would be required to be paid regardless of the level of business or profitability experienced by the Company. The absence or unexpected reduction in net cash flow or unanticipated increases in operating expenses could cause a default under such debts. There is no assurance that the Company will be able to pay all of its liabilities.

No Assurance of Profit. There is no assurance as to whether the Company will be profitable or earn revenues, or whether the Company will be able to return any investment funds, to make cash distributions or to meet its operating expenses and debt service.

Operations - Possible Liens. If the Company fails to pay for materials and services for an application on a timely basis, the Company's assets could be subject to materialmen's and workmen's liens. The Manager is not responsible for the financial condition or performance of the co-developer or distributors of the Application or any other unaffiliated vendors. The Company may also be subject to bank liens in the event it defaults on loans from banks, if any.

Risk of Cost Overruns. The Company may incur substantial cost overruns in the production and distribution of the Application. The Manager is not responsible for cost overruns incurred in the Company's business and is not obligated to contribute capital to the Company. Unanticipated costs may force the Company to dilute its ownership in the Application substantially by requiring it to obtain additional capital or financing from other sources, or may cause the Company to lose its entire investment in the Application if it is unable to obtain the additional funds necessary to complete the development and marketing of the Application. There is no assurance that the Company will be able to obtain sufficient capital to implement its business plan successfully. If a greater investment is required in any of the Application because of cost overruns, the probability of earning a profit or a return of the Members' investment in the product is diminished.

Determination of Consideration to Management. The net profits interest and cash consideration being paid by the Company to its management have not been determined based on arm's length negotiation. While management believes that the consideration is fair for the work being performed, there is no assurance that the consideration to management reflects the true market value of its services. See "BUSINESS" and "USE OF PROCEEDS."

Management Compensation. The Manager will be reimbursed for the direct and an allocable portion of overhead expenses it incurs in managing the Company's operations, as well as the organization and offering costs incurred by it on behalf of the Company. The Manager and its affiliates will also receive developer fees for co-development services performed for the Company. The Manager will retain a 60% net profits interest in the Company, subject to proportionate increase if less than $200,000 is raised in this offering and proportionate decrease if more than $200,000 is raised in this offering. See Section 12.2 of the Operating Agreement included with this Memorandum as Exhibit A. These compensation arrangements increase the risk that the Company will not be profitable. In light of the services being performed and expenses being incurred by the Manager and its affiliates in connection with the Company, including forming the Company, organizing its operations, raising its capital, producing the Application and monitoring and managing the Company's day-to-day operations, the Manager believes that the compensation and expense reimbursements are fair and in accordance with standard industry practices. See "MANAGEMENT COMPENSATION."

Reliance on Management. Under the Company's Operating Agreement, the Manager is given the exclusive authority to manage the Company's business. Members must be willing to entrust all aspects of the Company's business to the Manager. Members will have certain voting rights under the Operating Agreement in proportion to their relative Capital Contributions to the Company. The loss of the Manager would have a material adverse impact on the Company. The Company will be largely dependent upon the Manager for the direction, management and daily supervision of the Company's operations. See "MANAGEMENT."

Resources of the Manager. The Manager has a limited and illiquid net worth. Consequently, it is not anticipated that the Manager or its affiliates will have the financial resources or the liquidity to provide funds to the Company in the event that the Company needs additional working capital. Furthermore, the Manager does not have any obligation to make loans or provide capital to the Company. See "MANAGEMENT."

Conflicts of Interest. The relationship of management to the Company may create conflicts of interest. Management has participated in and may continue to participate in other entities which engage in activities similar to those of the Company. The Manager may from time to time form new entities and engage in other businesses in the future. Other businesses owned and managed by the Manager or its affiliates may be in competition with the Company in its application and softwre business. The Manager believes that it will have the resources necessary to

fulfill its management obligations to all entities for which it is responsible. See "MANAGEMENT." Management's compensation from the Company has not been determined pursuant to arm's-length negotiation. The determination of the Manager's compensation under contracts between the Company and the Manager or its affiliates is subject to the Manager's discretion. See "CONFLICTS OF INTEREST."

Indemnification of Manager, Directors and Executive Officers. The Company's Operating Agreement provides that the Company will, within the limits of capital contributions and retained assets, hold the Manager and the directors and the executive officers of the Company harmless against certain claims arising from Company activities, other than losses or damages incurred by it as a result of their gross negligence, fraud or bad faith. If the Company were called upon to perform under its indemnification agreement, then the portion of its assets expended for such purpose would reduce the amount otherwise available for the products, or for distributions to the Members, if any. See "SUMMARY OF CERTAIN PROVISIONS OF THE OPERATING AGREEMENT."

Rights of Manager Under Operating Agreement. The consent of the Manager is required in many instances under the Company's Operating Agreement, including most amendments to the Operating Agreement. In such instances, a conflict of interest may arise between the Manager and the Members. Furthermore, the Manager has the right to cause the Company to sell, pledge or otherwise dispose of all or any Company assets without the consent of the Members. See "SUMMARY OF CERTAIN PROVISIONS OF THE OPERATING AGREEMENT."

Federal Income Tax Risks. An investment in Units involves tax risks. Each prospective Member is urged to consult his own tax advisor with respect to the complex federal, state and local tax consequences of investing in the Units. The taxation of the Company and the Members depends upon whether the Company is treated for federal income tax purposes as a limited liability company (i.e. a partnership for tax purposes) or as an association taxable as a corporation. The Company will not seek a ruling from the Internal Revenue Service (the "IRS") or an opinion of counsel that it will be treated as a limited liability company for federal income tax purposes. It is possible that the status of the Company as a limited liability company could be challenged by the IRS. If the Company is treated for federal income tax purposes as an association taxable as a corporation rather than as a limited liability company, the Company would be required to pay federal income tax on its income and the Company's deductions and credits would not be passed through to its Members. Furthermore, the Members would be taxed on any distributions they might receive in substantially the same manner that corporations and their Members are taxed on dividends. Since the Company has elected to be taxed on a "pass through" basis, the Members and Manager may receive allocations of taxable income without comparable cash distributions (i.e. phantom income). The information returns filed annually by the Company for federal income tax purposes may be audited by the IRS. An audit could result in adjustments to various Company tax items, which may increase the likelihood of an audit of the income tax returns of the Members. For tax exempt investors, income and gain from the Company is expected to be unrelated business taxable income because the Company will be engaged in the business of producing the Application. "FEDERAL TAX ASPECTS – Tax Exempt Investors." The tax aspects of this investment cannot be predicted with certainty in part because certain provisions of Internal Revenue Code may be amended or interpreted in manner adverse to Company.

Impact of State and Federal Securities Laws. The Company's offering is not registered under the Securities Act of 1933, as amended (the "Act") in reliance upon the "private offering" exemption contained in Section 4(2) of the Act and Rule 506 of Regulation D. Reliance is also being made on similar available exemptions from securities registration under applicable state securities ("Blue Sky") laws. There is no assurance that this offering qualifies under such exemptive provisions. If suits for rescission are brought under the Act and successfully concluded for failure to register those offerings or for acts or omissions constituting offenses under the Act, the Securities and Exchange Act of 1934, as amended, or under Blue Sky laws, both the capital and assets of the Company and the Manager could be adversely affected, thus jeopardizing the ability of the Company to operate successfully. Further, the time and capital of the Company could be adversely affected by the Company's need to defend an action by investigators of government agencies, even if the Company is ultimately exonerated.

Risk That Exemptions Are Not Available. This offering has not been registered under the Securities Act in reliance upon the "private offering" exemption contained in Section 4(2) of the Securities Act and Rule 506 of Regulation D. It is currently anticipated that reliance will also be made on similar available exemptions from securities registration under applicable state securities ("Blue Sky") laws. There is no assurance that the offering presently qualifies or will continue to qualify under such exemptive provisions. Additionally, a recent California

court decision contradicts the exemption created by Rule 3a4-1 of the Securities Exchange Act of 1934, as amended regarding the participation of officers and directors in the sale of securities. If suits for rescission are brought under the Securities Act or state law and successfully concluded for failure to register this offering or for acts or omissions constituting offenses under the Securities Act, the Exchange Act or under Blue Sky laws, both the capital and assets of the Company could be adversely affected, thus jeopardizing the ability of the Company to operate successfully. Further, the time and capital of the Company could be adversely affected by the Company's need to defend any action by investigators of government agencies, even when the Company is ultimately exonerated.

Order By California Department of Corporations. All named parties cooperated fully with the California Department of Corporations to ensure full compliance with their order issued in 2008 to certain agents of Avalon Family Films (including Gary DePew) ordering that the parties cease and desist from (1) further offer or sale of securities in the State of California unless and until qualification has been made under the law or unless the offer and sale is exempt from qualification; and from (2) offering or selling a security in the State of California, including but not limited to units of limited liability interests in limited liability companies, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statement made, in light of the circumstance under which they were made, not misleading.

No Assurance of Cash Distributions. There is no assurance as to when or whether cash will be available for distribution to the Members. The Company may not have sinking fund monies available to fund cash distributions to the Members during any period of time, nor Cash Available for Distribution from any other source. The Manager is reimbursed by the Company for direct and an allocable portion of indirect expenses incurred by it in performing management services for the Company. The costs of making and marketing the Application must be paid before any cash distributions are made by the Company. The Company must pay these expenses, as well as operating expenses and other costs, prior to making cash distributions to the Members. Even if cash distributions are made, the Company may not be profitable or be earning revenues. The Manager, in its discretion, may retain Company funds for working capital purposes.

No Minimum Capitalization. The Company does not have a minimum capitalization and it may use the proceeds from the issuance of Units once the corresponding subscription agreements are accepted. The Company may only raise a minimum of capital, which would leave it with insufficient capital to implement its business plan, resulting in a complete loss of the Members' investment in the Company unless the Company is able to raise the required capital from alternative sources. There is no assurance that alternative capital or financing would be available.

Determination of Offering Price and Repurchase Right. The offering price of the Units has been determined by the Manager, and bears no relationship to the Company's assets, book value, potential earnings, net worth or any other recognized criteria of value.

Absence of Public Market. There is no public market for the Units and no market is ever expected to develop. In addition, the Company has no obligation and no present intention of registering its Units. The Units may not be sold or otherwise transferred except pursuant to registration or qualification under applicable federal and state securities laws or evidence satisfactory to the Company (which may require an opinion of counsel to be provided at the investor's expense) that such registration or qualification is not required. There are no registration rights associated with the Units. Consequently, the investors may not be able to liquidate their investment in the Company if such liquidation should become necessary or desired. See "RISK FACTORS - Limited Transferability of Units."

Limited Transferability of Units. No market for the resale of Units is expected to develop. In addition, significant restrictions have been placed on the transferability of Units and the Members will have no right to present their Units to the Manager for repurchase. Thus, investors may have considerable difficulty in selling Units or pledging Units as collateral for loans. Units should be purchased only by persons with the financial ability to acquire and hold the Units as a long-term investment. Federal and state securities laws also impose restrictions on transferability.

Status of Limited Liability. By purchasing Units, a Member will become a member of the Company. As a member, a Member's personal liability for obligations of the Company will generally be limited to the amount of his

Capital Contribution and his rights to the undistributed income of the Company. The Operating Agreement provides certain rights to Members relating to the internal affairs and organization of the Company. While the California Limited Liability Company Act provides for the limited liability of members, the statute applies in California. As a result, there may be uncertainty as to whether the exercise of these rights under certain circumstances could cause the Members to lose their limited liability under other applicable state laws, although the Company believes that the limited liability status will apply to residents of all states.

CONFLICTS OF INTEREST

The Company is subject to certain conflicts of interest arising from its relationship with the Manager and its affiliates. The agreements and arrangements among the Company, the Manager, and certain of its affiliates have been established by the Manager and are not the result of arm's-length negotiations. See "FIDUCIARY DUTY OF MANAGEMENT" for a discussion of the Manager's fiduciary duties to the Members. These conflicts include, but are not limited to, the following:

Potential Future Programs

The Manager or its affiliates have and may serve in the future as a manager of other investment programs. In the future, the Manager expects to sponsor and invest in other programs with objectives similar to the Company. Neither the Company nor any Member would have any interest in these projects. Furthermore, the Manager and its affiliates will have conflicts of interest in allocating management time, services and functions between various existing programs and future programs which it may organize, as well as other business ventures in which they are involved. As a manager of other programs, it may also have liability for the obligations of such programs. The Manager and its affiliates believe that they have sufficient resources to fully discharge their responsibilities to all programs they have organized or will organize in the future. The Manager will devote only so much of its time to the business of the Company as in its judgment is reasonably required. See "MANAGEMENT."

Determination and Receipt of Compensation

The Manager and its affiliates will receive certain compensation from the Company regardless of the profitability of the Company. The Manager will retain a net profits interest in the Company and receive producer fees which have been fixed into the budgets of the Application. These compensation arrangements have not been determined on the basis of arm's length negotiations between independent parties. The Manager believes that the Company's compensation arrangements, in light of the evaluation, acquisition and management services performed by the Manager and its affiliates, are comparable to or more favorable than compensation which would be paid to unaffiliated parties for comparable services.

Competition with the Company

The Manager or any of its affiliates may engage for their own account or for the account of others, including other public or private programs, in other business ventures, including developing, producing and marketing applications and other projects. The Manager or its affiliates (including programs sponsored by the Manager) may therefore compete with the Company for audiences, talent, distributors, production personnel, literary properties, exhibitors and other elements of the software business. Neither the Company nor any Member will be entitled to any interest in other business ventures engaged in by the Manager or its affiliates.

Transactions with Affiliates

The Manager will manage the day-to-day business of the Company and will participate in the development of the Application. The Company may obtain loans from and engage in other transactions with affiliates of the Manager pursuant to which the Manager or its affiliates will earn compensation. For example, the Company plans to apply a portion of its capital to a marketing and promotion campaign for the Application. Any actual materials such as websites that may be constructed as part of this campaign will, however, be owned solely by the Manager for its benefit. Furthermore, the ownership of each product will revert to the Manager on a date five years from the date of the close of this offering. Such agreements with the Manager or its affiliates would not be arms-length

transactions since the Manager would be negotiating terms for both sides. The Manager, in accordance with its fiduciary responsibilities to the Company, will cause such transactions to be on terms which are fair to the Company.

Independent Consultants

The Manager and the Company may utilize independent or affiliated consultants to assist with the development and marketing of the Application. A conflict of interest may arise with the consultants since the consultants are rendering advice and earning compensation from the Company. These consultants may also be performing services for other software companies and may not be devoting their time exclusively to the Company's business. Any evaluations made of the Company or the products by paid consultants should not be considered independent evaluations by disinterested parties.

Lack of Representation

Legal counsel for the Manager will not represent the Company or the Members. Each investor should accordingly consult with and rely on his own counsel regarding any investment in the Units. Should a dispute arise between the Company and the Members or the Manager, the Manager will cause the Company to retain separate counsel for such matters.

FIDUCIARY DUTY OF MANAGEMENT

The Manager is accountable to the Company as a fiduciary and consequently must exercise good faith and integrity in handling the Company's affairs. Where the question has arisen, courts have held that an investor may institute legal action: (i) on behalf of himself and all other similarly situated investors (a class action) to recover damages for a breach by a manager of the manager's fiduciary duty; or, (ii) on behalf of the Company (a Company derivative action) to recover damages from third parties. In addition, (i) investors may have the right, subject to procedural and jurisdictional requirements, to bring Company class actions in courts to enforce their rights under federal securities laws; and, (ii) investors who have suffered losses in connection with the purchase or sale of their interests may be able to recover for such losses from a manager where such losses resulted from the manager's violation of the anti-fraud provisions of the federal securities laws. Since the foregoing summary involves a rapidly developing and changing area of the law, investors who believe that a manager has breached its fiduciary duty should consult with their own counsel.

The Company must, upon request, give to any Member or his or her legal representative, complete information concerning the Company's affairs, and each investor and his or her legal representative may inspect and copy the Company's books and records at any time during normal business hours.

The Manager may not be liable to the Company or Members for errors in judgment or other acts or omissions not amounting to fraud, bad faith, or gross negligence, since the Operating Agreement provides for indemnification of the Manager under certain circumstances. Accordingly, purchasers of Units may have a more limited right of action than they would if such limitations were not contained in the Operating Agreement. See "SUMMARY OF CERTAIN PROVISIONS OF THE OPERATING AGREEMENT."

TO THE EXTENT THAT THE INDEMNIFICATION PROVISIONS PURPORT TO INCLUDE INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN THE OPINION OF THE SECURITIES AND EXCHANGE COMMISSION, SUCH INDEMNIFICATION IS CONTRARY TO PUBLIC POLICY AND THEREFORE UNENFORCEABLE.

MANAGEMENT

The Manager

Villij Media, Inc. is the Manager of the Company. The Manager will have the responsibility and authority for the day-to-day management of the Company and overseeing the development of the Application, including but not limited to selecting the programmers, illustrators, scheduling, budgeting, cost controls, coding, selection of tools and soundtrack. The following table sets forth the directors and officers of the Manager as of May 1, 2012:

Name	Position
Gary DePew	Chief Executive Officer, President, Chief Financial Officer, Corporate Secretary, and Director

Gary DePew, age 53, has been the President, Corporate Secretary, and a director of the Manager, Villij Media, Inc., since its inception in May 2013,. Mr. DePew oversees all business and creative affairs for Villi Media, Inc. In 1981, while an undergraduate, Mr. DePew worked for CBS. Soon after receiving his bachelor degree, Mr. DePew went to work as an accountant for Michael Jackson's film company, MJJ Productions at Sony Pictures in Culver City. Mr. DePew first met Jackson while co-starring in Captain EO, the 3D movie and ride for the Disney theme parks. One year later, Mr. DePew was Michael Jackson's production manager, creating music videos for Mr. Jackson's *Bad* album and a feature length film for Showtime called *Moonwalker* in which Michael Jackson starred along with Oscar winner Joe Pesci. In 1987, Mr. DePew produced his first film, *The Willies*, which was released by Paramount Home Video in 1988. With the proceeds from *The Willies*, Mr. DePew founded Force Majeure Productions at Raleigh Studios in Hollywood where he produced seven feature films including *The Hard Truth* for HBO Pictures, *Children of the Corn III for Miramax, Children of the Corn IV* for Disney's Buena Vista Home Video, and *A Kiss Goodnight*, winner of the Palm Springs International Film Festival in 1994. Mr. DePew's talent for delivering big stars on small budgets brought him to the attention of FM Entertainment, an international production and distribution company that asked him to become its head of production. In 1996, he accepted the position of VP Production for FM Entertainment and immediately traveled to the Middle East where he oversaw the Jordanian film crew for the company's first in-house production, *Sinbad*, starring Richard Grieco, Dean Stockwell, and Mickey Rooney. Mr. DePew then returned to Los Angeles to oversee production on *The Good Life* with Sylvester Stallone, Dennis Hopper, and Beverly D'Angelo. Having developed a strong reputation for delivering films on time and on budget, Mr. DePew began receiving calls to serve as a bond representative, i.e., to watch over other producers on behalf of the bank to assure timely and efficient completion of a film. In 1998, Mr. DePew returned to independent cinema and thereafter produced several family films, including *Michael Jordan: An American Hero*, *Cowboys and Angels*, *The Retrievers* (for The Animal Planet), co-produced *Hansel & Gretel*, a Warner Brothers release starring Lynn Redgrave, Delta Burke and Howie Mandel, He co-founded Avalon Family Films in 2003 and Avalon Family Entertainment in 2009 to produce motion pictures based on well-known children's stories. Avalon produced *Jack and the Beanstalk*, starring Christopher Lloyd, Chevy Chase, Gilbert Gottfried and the voice of James Earl Jones as the Giant. Mr. DePew earned his Bachelor degree in Business from the University of Southern California in 1982.

MANAGEMENT COMPENSATION

The Manager and its affiliates will be reimbursed for their direct and an allocable portion of their indirect expenses incurred in managing the Company. The Manager will retain a 60% net profits interest in the Company, subject to proportionate adjustment if the Company raises more or less than $200,000 in this offering.. See "DISTRIBUTIONS AND ALLOCATIONS." The Manager and its affiliates will be paid compensation and be reimbursed expenses incurred by them in connection with the organization of the Company, the offering of the Units, and the development of the Application. The Manager will also receive developer fees for the Application. The executive officers and other employees and consultants, if any, of the Manager will also receive salary and other compensation from the Company for their services as employees and consultants to the Company. An amount of the gross proceeds of the offering has been set aside to pay estimated organization, offering and Unit marketing compensation and costs. See "USE OF PROCEEDS."

FEDERAL TAX ASPECTS

The following income tax information is based on the relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Department regulations ("Regulations"), and current judicial and administrative decisions through the date of this Memorandum. It is only a summary of the material tax consequences affecting individuals who become Members in the Company. No ruling from the Internal Revenue Service nor opinion of counsel as to the tax treatment affecting Members has been sought. No assurance can be given that legislation or judicial or administrative changes will not modify this summary in the future. Because it is impractical to comment on all aspects of federal, state, and local tax laws which may affect the tax consequences of participating in the Company, each prospective Member should satisfy himself as to the income and other tax consequences of this investment by obtaining advice from his own tax counsel. The following tax matters, however, are of particular significance.

Tax Status of the Company

The Company is a limited liability company organized under the California Limited Liability Company Act (the "LLC Act"). The LLC Act and the Operating Agreement (the "Operating Agreement") of the Company have been structured by the Manager so that the Company should be treated as a partnership for federal income tax purposes. If the Company is classified as a "partnership" for federal income tax purposes, each item of income, gain, deduction, credit and loss will flow through the Company to the Members substantially as though such Members had incurred such income, gain, deductions, credits and losses directly. Accordingly, each Member will be required to include on his tax return his share of income, gains, deductions, credits and losses of the Company. Each Member will be required to include his share of income or gain from the Company in his taxable income regardless of whether any cash distributions are made by the Company. The Company will not receive an opinion of counsel regarding its treatment as a partnership for tax purposes, nor will it obtain an Internal Revenue Service ruling.

Limited liability companies are relatively recent legal creations. A series of published revenue rulings has been promulgated by the Internal Revenue Service indicating that limited liability companies organized under state laws similar to the laws of the State of California, whose operating agreements contain certain specified provisions, will be taxed as partnerships and not as associations taxable as corporations. No assurance can be given that the Internal Revenue Service will recognize the Company as a partnership for federal income tax purposes rather than an association, even though the Manager believes such result is likely.

Adjusted Basis for Units

A Member may not deduct in any year from his taxable income his Unit of Company losses in excess of his tax basis for his interest in the Company at the end of the Company tax year. Any such excess is allowed as a deduction at the end of the Company tax year in which the Member again has a tax basis for his interest. In general, a Member's basis in his Units should include the amount of his capital contributions to the Company, and his share of liabilities of the Company as to which no member has any personal liability. This conclusion is based on analogous holdings of the Internal Revenue Service affecting entities organized as partnerships under state law. In general, a Member's basis in his Units should be increased by additional capital contributions to the Company and profits of the Company allocable to the Member. Finally, such member's adjusted basis in his Units will be decreased by distributions made to such member and by losses allocable to such Member.

At-Risk Limitations

A Member also may not take deductions for Company losses in an amount exceeding the amount with respect to which he is "at risk" at the end of each Company tax year. Suspended losses would be allowable under the at-risk rules in a subsequent year to the extent the Member's at-risk amount exceeds zero at the close of such year. If a Member's amount at risk is less than zero at the close of a year, the negative at-risk amount would be recaptured as ordinary income for such year. In general, the amount which any Member would be "at risk" with respect to the Company at the end of any Company tax year will be the same as his tax basis for his interest.

Allocation of Company Revenues and Expenses

The Operating Agreement provides for the allocation of all costs and revenues among the Members and the Manager. The Operating Agreement also provides that, to the extent permitted by law, all tax deductions are allocated to the party who was charged with the expenditure giving rise to the deductions, and tax credits, if any, are allocated in the same ratio as revenues are shared when the credit arises.

The allocations of income, gain, loss, deduction or credit by the Company will be recognized for federal tax purposes provided such allocations have substantial economic effect. Regulations under Code Section 704(b) provide guidelines regarding when an allocation will be considered to have substantial economic effect. In order to comply with these regulations, the Operating Agreement contains provisions reallocating Company tax items in order to avoid or eliminate any negative Capital Account for the Members. It is possible that these reallocation provisions will alter the method in which the Members share the profits and losses of the Company.

Although the Service may generally challenge the allocations made by the Company, the Manager believes that it is more likely than not that such allocations will have substantial economic effect and will be recognized for federal income tax purposes. To the extent an allocation is not recognized for federal income tax purposes, the items involved would be ascribed to each Member in accordance with his interest in the Company. The tax treatment of any item, the allocation of which is not recognized for tax purposes, will depend upon its nature in the hands of the Members concerned.

Passive Income and Losses

Under the Tax Reform Act of 1986, losses from passive activities for Members may not offset other income of a taxpayer such as salary, interest, dividends and active business income. Deductions from passive activities may offset income from passive activities. Credits from passive activities generally are limited to the tax attributable to income from such passive activities. Disallowed losses and credits are carried forward and treated as deductions and credits from passive activities in subsequent taxable years. Disallowed losses from an activity are allowed in full when the taxpayer disposes of his entire interest in the activity in a taxable transaction. Such losses are allowed first against any gain on disposition, second against any net passive income and last against trade, business and portfolio income.

Passive activities include trade or business activities in which the taxpayer does not materially participate. The limitation on passive activity losses applies to individuals, estates, trusts, closely held Subchapter C corporations and personal service corporations. Because the Company confers limited liability on the Members, its business operations are expected to be classified as a passive activity.

Company Syndication and Organization Costs

Costs incurred in the organization of a company or in the sale of Units must be capitalized and therefore may not be deducted. A company may, however, amortize organization costs over a 60-month period beginning with the month in which the company begins business. Organization costs are defined as those expenditures which are incidental to the creation of the company, chargeable to the capital accounts, and of a character which, if expended in connection with the creation of a company having an ascertainable life, would be amortized over that period of time.

Syndication costs are expenditures connected with issuing and marketing interests in the company, such as commissions, professional fees, and printing costs. Syndication costs must be capitalized and are not subject to the special 60-month amortization provision. As a result of the non-deductibility of syndication fees, Members may have a tax basis in their Units remaining upon dissolution of the Company which may result in a capital loss for tax purposes at that time. The Company intends to amortize its organization costs over a 60-month period commencing with the organization of the Company.

Sales of Company Property

Gains and losses from sales of property held for more than one year and not held primarily for sale to customers will be treated as gains and losses as described in Section 1231 of the Code, except to the extent of depreciation recapture on equipment. Assuming that a Member has no other capital or business transaction during a tax year, his share of Section 1231 net gain will generally be treated as a long-term capital gain, while his share of a net loss realized on such sales will be an ordinary deduction from gross income. However, net Section 1231 gains will be treated as ordinary income to the extent of unrecaptured net Section 1231 losses for the preceding five most recent prior years. Gains and losses on sales of property held for more than one year will result in ordinary income and deductions.

Sale of Units in the Company

In the event that a Member sells his Units, he will be required to recognize taxable gain or loss on the sale measured by the difference between the amount realized by him upon such sale and his adjusted tax basis for his interest. Assuming the Member is not a dealer for purposes of the Code, any gain or loss realized on the sale will be taxed as capital gain or loss (long-term if the interest has been held for more than one year), except to the extent that the sale price is attributable to his allocable share of depreciation recapture the Company. The portion of the sales price attributable to these items will be taxed to the selling Member as ordinary income.

Recent changes in the tax laws impose information reporting requirements with respect to transfers of partnership and limited liability company interests. The transferor is required to notify the Company within 30 days of the exchange. Such notification must include the names and addresses of the transferee and transferor, the date of the exchange and the taxpayer identification number of the transferor and, if known, of the transferee. The transferor transferring an interest in the Company may be required to attach a statement to his or her income tax return disclosing the fact that he or she has transferred such interest during the taxable year for which the return is filed.

Investment Interest

A Member may incur investment interest expenses either as a result of financing the purchase price of his Units or through an allocation of interest expenses incurred by the Company, if any (i.e., if the Company has borrowings). The Company would be treated as engaged in an investment activity for purposes of the investment interest limitation to the extent the Company borrows funds to acquire and hold investment property. On the other hand, to the extent that the Company is engaged in a trade or business, interest expense incurred to finance such activity would not be subject to the investment interest limitations. The Manager believes that the Company will be deemed to be engaged in a trade or business by virtue of its Application development, production, financing and distribution activities. Therefore, interest expense on any borrowings incurred for that purpose (none are anticipated) would not be subject to the investment interest limitations.

Any interest expense other than investment interest expense incurred by the Company and allocated to a Member will be added to his loss from the Company and, accordingly, reduce the amount of his passive income or increase the amount of his passive loss from the Company. Interest expense allocated to a Member by the Company will be treated as a passive loss. See "FEDERAL TAX ASPECTS - Passive Income and Losses." Interest expenses incurred by any Member on the financing of his Units should be treated as investment interest.

Any interest the deduction of which is disallowed solely because of the investment interest rules may be carried forward, in which case it will constitute investment interest in the carryover years and may be deducted in the first carryover year in which the limitation is not otherwise reached. These restrictions are applied on a Member-by-Member basis. Each Member is advised to consult with his tax advisor to determine whether his investment in the Company will cause the disallowance of a deduction for any portion of his investment interest.

Alternative Minimum Taxes

Under the Tax and Budget Act of 1993, individuals are subject to an alternative minimum tax based on 26% of the excess of alternative minimum taxable income over the exemption amount ($45,000 for a married couple

filing a joint return and $33,750 for single filers) for alternative minimum taxable income up to $175,000, and 28% for alternative minimum taxable income over $175,000, to the extent this tax exceeds the regular tax liability. The exemption amount is phased out at a rate equal to 25 cents on every dollar of alternative minimum taxable income in excess of $150,000 (for a married couple filing a joint return). Alternative minimum taxable income is equal to adjusted gross income plus specified tax preference items minus certain itemized deductions.

Jobs and Growth Tax Relief Reconciliation Act of 2003

The Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "2003 Act") was signed into law in May 2003. The 2003 Act changes the current marginal rates, 10%, 15%, 27%, 30%, 35%, and 38.6%, retroactive to January 1, 2003 to 10%, 15%, 25%, 28%, 33%, and 35%, respectively. The 2003 Act also immediately raises the standard deduction for married couples filing jointly to twice the standard deduction for single taxpayers and doubles the income range in the 15% tax bracket for couples filing jointly for 2003 and 2004. There will be further changes to these provisions after 2004. The 2003 Act increases the 2003 and 2004 scheduled child tax credit of $600 to $1,000. After 2004, the child tax credit will revert back to the previously scheduled amount.

Stock dividends, which had been taxed at the same rate as ordinary income, will be taxed at 15% for most taxpayers effective January 1, 2003. This rate remains in effect until December 31, 2008. Lower income taxpayers will be taxed on dividends at 5% effective January 1, 2003 through December 31, 2007. In 2008, lower income taxpayers will pay a zero percent tax on dividends. The rate on long-term capital gains drops from 20% to 15% for all taxpayers except those in the lowest brackets for long-term capital gains recognized on or after May 6, 2003 and remains in effect through December 31, 2008. Taxpayers in the 10% to 15% brackets will pay 5% instead of 10% on any long-term capital gains recognized. In 2008, taxpayers in the 10% and 15% brackets will be taxed on long-term capital gains at zero percent. In 2009, the long-term capital gains rates are scheduled to return to 20% and 10% levels. The 2003 Act also increases the bonus depreciation on luxury automobiles placed in service after May 5, 2003 from $4,600 to $7,650.

The Economic Growth and Tax Relief Act of 2001

The Economic Growth and Tax Relief Act of 2001 (the "2001 Act") was signed into law in June 2001. The 2001 Act expands the zero percent low income tax bracket and lowers all other individual tax rates gradually during the phase-in period running from 2001 until 2006. During the phase-in period, the 28% bracket is reduced to 25% in stages, the 31% bracket is reduced to 28%, the 36% bracket is reduced to 33% and the 39.6% bracket is reduced to 35%. A rate reduction credit and tax rebate ranging from $300 for single individuals to $600 in the case of a married couple filing a joint return was also included in 2001. The overall imitation on itemized deductions for all taxpayers is eliminated in phases from 2006 until 2009, so that no limitations are applicable beginning in 2010. The restrictions on personal exemptions are also eliminated in phases in accordance with the same schedule applicable to itemized deductions.

The 2001 Act increases the child tax credit from $600 in 2001 to $1,000 in 2010 and later. Adoption tax benefits and the dependent care tax benefits have also been expanded. A tax credit has also established for employees who provide child care facilities. The marriage penalty ahs been reduced by lowering tax rates for married couples filing joint.

The 2001 Act includes education incentives by increasing the annual limits on contributions to education IRAs from $500 to $2,000, and expanding the definition of qualified education expenses that may be paid tax-free from an education IRA. The 2001 Act also expands the definition of "qualified tuition program" and permits a deduction from gross income for distributions from qualified tuition programs. The income phase-out ranges for eligibility for the student loan interest deduction have been increased. Taxpayers have also been granted a tax deduction of up to $2,000 for single filers and $4,000 for married filers for qualified higher education expenses paid by taxpayers having adjusted gross income below certain levels.

The estate and gift taxes have been reduced and estate taxes are gradually eliminated during a phase-in period running from 2002 until 2010, when the estate taxes are repealed in their entirety. The 2001 Act makes extensive changes to the rules relating to individual retirement accounts and qualified pension plans. The changes

include (i) increased contribution limits and catch-up contributions, (ii) provisions for expanding coverage, including increased contribution and benefit limits for qualified plans, and (iii) additional provisions enhancing fairness to women, portability for plan participants, strengthening pension security and enforcement, and reducing regulatory burdens.

The 2001 Act increases the individual alternative minimum tax exemption by $2,000 for single taxpayers and $4,000 for married taxpayers filing returns for 2001 through 2004. To ensure compliance with the Congressional Budget Act of 1974, the 2001 Act generally does not apply for taxable, plan or limitation years beginning after December 31, 2010.

The Taxpayer Relief Act of 1997

On August 5, 1997 the President and the Congress adopted The Taxpayer Relief Act of 1997 (the "1997 Act"), pursuant to which several amendments were made to the Internal Revenue Code of 1986, as amended. Prospective investors in the Company are advised to consult with their tax advisors and to consider the 1997 Act prior to making an investment decision.

Tax Exempt Investors

The income earned by a qualified pension, profit sharing or stock bonus plan (collective, "Qualified Plan") and by an individual retirement account ("IRA") is generally exempt from taxation. However, if a Qualified Plan or IRA earns "unrelated business taxable income" ("UBTI"), this income will be subject to tax to the extent it exceeds $1,000 during any calendar year. The amount of unrelated business taxable income in excess of $1,000 in any calendar year will be taxed at the same rates as other income or gain realized by the taxpayer. In addition, such unrelated business taxable income may result in a tax preference which may be subject to the alternative minimum tax. It is anticipated that income and gain from the Company will be taxed as UBTI to tax exempt Members because the Company is expected to be engaged in a trade or business by virtue of its participation in the development of the Application. See "ERISA CONSIDERATIONS."

Tax Administrative and Judicial Proceedings

If the Company is subject to a federal income tax audit by the Service, the audit will be conducted at the Company level. The Manager is the "Tax Matters Partner" of the Company, and as Tax Matters Partner it will act on behalf of the Company during an audit. The Members will be subject to various administrative requirements or procedures during the course of an audit, and any final adjustments to Company tax items will result in an adjustment to the tax liability of each Member.

The period for assessing a tax against a Member as a result of adjustment to any Company tax item will generally be three years from the later of the date the Company tax return is filed or the last day prescribed by law for filing, which period may exceed the period normally applicable to a Member. Furthermore, the Tax Matters Partner has authority to agree to extend the normal three year period, which extension agreement will bind all Members. The period of assessment may also be extended for substantial periods beyond the normal three-year period if judicial review of any proposed adjustment is sought, or the name, address or taxpayer identification number of a Member has not been furnished on the Company return for the Company taxable year.

In the event an adjustment to a Company tax item is proposed, a Member may enter into a settlement agreement with the Service which is binding as to that Member, and any other Member will be entitled to settle with the Service on the same basis. The Tax Matters Partner may enter into a settlement agreement with the Service which will bind any Member not entitled to separate notice from the Service, unless the Member files a statement with the Service which states that the Tax Matters Partner does not have authority to bind the Member.

A tax deficiency may be assessed against any Member without administrative proceedings or judicial review if the Member has treated a Company tax item on the Member's individual return in a manner inconsistent with treatment on the Company return, unless the Member files a statement with the Service identifying the inconsistency. Furthermore, penalties may be assessed against a Member for intentional disregard of the consistency requirement.

The Tax Matters Partner may file a request for administrative adjustment of a Company tax due against the Members without the Members having the opportunity for administrative or judicial review. Any Member other than the Tax Matters Partner may also request an administrative adjustment of a Company tax item, and such a request might result in the Service commencing a proceeding against the Company, which could affect all Members. No Member may commence suit for credit or refund arising from a Company tax item without first filing a request for administrative adjustment with the Service.

Penalty for Substantial Understatement of Tax

The Code imposes a 25% penalty on "substantial understatements" of tax liability. A "substantial understatement" of income tax exists if the amount of tax required to be shown on the return exceeds the amount of tax reported thereon by the greater of 10% of the tax required to be shown or $5,000. For an item other than a "tax shelter item", the amount of the understatement is reduced if and to the extent (i) the treatment of the item on the return is or was supported by substantial authority, or (ii) all the facts relevant to the tax treatment of the item were disclosed on the return. Whether the taxpayer's filing position is or was supported by substantial authority will depend on the circumstances of the particular case. The standard of substantial authority is less stringent than a "more likely than not" standard, but requires that a taxpayer have stronger support for a position than a mere "reasonable basis" (that is, one that is arguable, but fairly unlikely to prevail in a court upon a complete review of the relevant facts and authorities). The Manager believes that substantial authority will exist supporting the tax treatment claimed on the Company's tax returns.

State and Local Taxes

Assets owned by the Company will be subject to normal ad valorem taxes assessed by the county and other local political jurisdictions within which the Company's assets are situated.

The Company may operate in states that impose a tax on each Member's share of the income derived from the Company's activities in such state. In addition, to the extent that the Company operates in certain jurisdictions, estate or inheritance taxes may be payable to those jurisdictions upon the death of a Member. Accordingly, a Member might be subjected to income, estate or inheritance taxes in states and localities in which the Company does business, as well as in his own state.

Depending on the location of the Company's properties and on applicable state and local laws, deductions that are available to a Member for federal income tax purposes may not be available to the Member for state or local income tax purposes. Furthermore, the treatment of particular items under the state and local income tax laws may vary materially from the federal income tax treatment.

Tax Returns

The Company will arrange for the preparation and filing of all necessary federal, state and local tax returns of the Company, and will annually furnish each Member with any information about the Company. While the Company will rely on qualified advisers in determining what deductions will be claimed on Company tax returns, costs may be incurred for which the federal income tax treatment is unclear. Thus, there can be no assurance that Company tax returns will not be adjusted by tax authorities, which in turn could lead to adjustments in the individual returns of the Members. The period in which such adjustments could be made with respect to Company items is generally three years from the later of the date on which the Company return is filed or the last day prescribed by law for filing. Furthermore, the Manager may extend the period of assessment as to all Members by its consent.

Summary

The foregoing is only a summary of the material tax considerations generally affecting the Members. Moreover, the federal income tax matters discussed above are subject to change by legislation, administrative action or judicial decision. No ruling has been sought, and no assurances can be given that any deductions or other federal income tax advantages which are described herein, or which prospective Members may contemplate, will be available.

THE FOREGOING ANALYSIS OF THE FEDERAL INCOME TAX CONSIDERATIONS TO A MEMBER IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. ACCORDINGLY, PERSONS CONTEMPLATING AN INVESTMENT IN THE COMPANY ARE URGED TO CONSULT THEIR TAX ADVISERS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATIONS.

ERISA CONSIDERATIONS

General Fiduciary Obligations. Trustees and other fiduciaries of qualified retirement plans or IRAs that are set up as part of a plan sponsored and maintained by an employer, as well as trustees and fiduciaries of Keogh Plans under which employees, in addition to self-employed individuals, are participants (together, "ERISA Plans"), are governed by the fiduciary responsibility provisions of Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA"). An investment in Units by an ERISA Plan must be made in accordance with the general obligation of fiduciaries under ERISA to discharge their duties (i) for the exclusive purpose of providing benefits to participants and their beneficiaries; (ii) with the same standard of care that would be exercised by a prudent man familiar with such matters acting under similar circumstances; (iii) in such a manner as to diversify the investments of the plan, unless it is clearly prudent not do so; and (iv) in accordance with the documents establishing the plan. Fiduciaries considering an investment in the Units should accordingly consult their own legal advisors if they have any concern as to whether the investment would be inconsistent with any of these criteria.

Fiduciaries of certain ERISA Plans which provide for individual accounts (for example, those which qualify under Section 401(k) of the Code, Keogh Plans and IRAs) and which permit a beneficiary to exercise independent control over the assets in his individual account, will not be liable for any investment loss or for any breach of the prudence or diversification obligations which results from the exercise of such control by the beneficiary, nor will the beneficiary be deemed to be a fiduciary subject to the general fiduciary obligations merely by virtue of his exercise of such control. On October 13, 1992, the Department of Labor issued regulations establishing criteria for determining whether the extent of a beneficiary's independent control over the assets in his account is adequate to relieve the ERISA Plan's fiduciaries of their obligations with respect to an investment directed by the beneficiary. Under the regulations, the beneficiary must not only exercise actual, independent control in directing the particular investment transaction, but also the ERISA Plan must give the participant or beneficiary a reasonable opportunity to exercise such control, and must permit him to choose among a broad range of investment alternatives.

Prohibited Transactions. Trustees and other fiduciaries making the investment decision for any qualified retirement plan, IRA or Keogh Plan (or beneficiaries exercising control over their individual accounts) should also consider the application of the prohibited transactions provisions of ERISA and the Code in making their investment decision. Sales and certain other transactions between a qualified retirement plan, IRA or Keogh Plan and certain persons related to it (*e.g.,* a plan sponsor, fiduciary, or service provider) are prohibited transactions. The particular facts concerning the sponsorship, operations and other investments of a qualified retirement plan, IRA or Keogh Plan may cause a wide range of persons to be treated as parties in interest or disqualified persons with respect to it. Any fiduciary, participant or beneficiary considering an investment in Units by a qualified retirement plan IRA or Keogh Plan should examine the individual circumstances of that plan to determine that the investment will not be a prohibited transaction. Fiduciaries, participants or beneficiaries considering an investment in the Units should consult their own legal advisors if they have any concern as to whether the investment would be a prohibited transaction.

Special Fiduciary Considerations. Regulations issued on November 13, 1986, by the Department of Labor (the "Final Plan Assets Regulations") provide that when an ERISA Plan or any other plan covered by Code Section 4975 (*e.g.*, an IRA or a Keogh Plan which covers only self-employed persons) makes an investment in an equity interest of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the underlying assets of the entity in which the investment is made could be treated as assets of the investing plan (referred to in ERISA as "plan assets"). Programs which are deemed to be operating companies or which do not issue more than 25% of their equity interests to ERISA Plans are exempt from being designated as holding "plan assets." Management anticipates that the Company would be

characterized as an "operating company" for the purposes of the regulations, and that it would therefore not be deemed to be holding "plan assets."

Classification of the assets of the Company as "plan assets" could adversely affect both the plan fiduciary and management. The term "fiduciary" is defined generally to include any person who exercises any authority or control over the management or disposition of plan assets. Thus, classification of Company assets as plan assets could make the management a "fiduciary" of an investing plan. If assets of the Company are deemed to be plan assets of investor plans, transactions which may occur in the course of its operations may constitute violations by the management of fiduciary duties under ERISA. Violation of fiduciary duties by management could result in liability not only for management but for the trustee or other fiduciary of an investing ERISA Plan. In addition, if assets of the Company are classified as "plan assets," certain transactions that the Company might enter into in the ordinary course of its business might constitute "prohibited transactions" under ERISA and the Code.

Reporting of Fair Market Value. Under Code Section 408(i), as amended by the Tax Reform Act of 1986, IRA trustees must report the fair market value of investments to IRA holders by January 31 of each year. The Service has not yet promulgated regulations defining appropriate methods for the determination of fair market value for this purpose. In addition, the assets of an ERISA Plan or Keogh Plan must be valued at their "current value" as of the close of the plan's cal year in order to comply with certain reporting obligations under ERISA and the Code. For purposes of such requirements, "current value" means fair market value where available. Otherwise, current value means the fair value as determined in good faith under the terms of the plan by a trustee or other named fiduciary, assuming an orderly liquidation at the time of the determination. The Company does not have an obligation under ERISA or the Code with respect to such reports or valuation although management will use good faith efforts to assist fiduciaries with their valuation reports. There can be no assurance, however, that any value so established (i) could or will actually be realized by the IRA, ERISA Plan or Keogh Plan upon sale of the Units or upon liquidation of the Company, or (ii) will comply with the ERISA or Code requirements.

TERMS OF THE PLACEMENT

Securities Offered

The Company is offering 20 Units of limited liability interests in the Company for a purchase price of $10,000 per Unit with a minimum purchase requirement of 1 Unit ($10,000). The maximum offering is $200,000. The Company will have the unrestricted right to reject tendered subscriptions for any reason and to accept less than the minimum investment from subscribers who are also investors in affiliates of the Company and from a limited number of other subscribers. In the event the Units available for sale are oversubscribed, they will be sold to those investors subscribing first, provided they satisfy the applicable investor suitability standards. See "TERMS OF THE PLACEMENT - Investor Suitability Standards."

To the extent that less or more than $200,000 is raised in this offering, the Members' interest in the Company's Cash Available for Distribution will be decreased or increased proportionately below or above 20%, respectively.

The purchase price for the Units will be payable in full upon subscription. Subscription funds which are accepted will be deposited directly into the Company's segregated operating account for use by the Company in its business, and subscribers will be admitted into the Company as Members. No escrow account for subscription funds has been established because no minimum capitalization requirement has been established for the Company. The Company's operating account will be managed by the Manager which will collect Company subscription funds and revenues and disburse Company distributions and expenditures. The Manager or its affiliates may (but are not obligated to) purchase Units for their own account as Members.

Subscription Period

The offering of Units will terminate on November 15, 2014, unless the Company extends the offering for up to an additional 180 days (the "Sales Termination Date"). The Sales Termination Date may occur prior to November 15, 2014 if subscriptions for the maximum number of Units have been received and accepted by the

Company before such date. Subscriptions for Units must be received and accepted by the Company on or before such date to qualify the subscriber for participation in the Company.

Subscription Procedures

Completed and signed subscription documents and subscription checks should be sent to the Company care of Villij Media, Inc. at the following address: 6115 Selma Avenue, Suite 203, Los Angeles, California 90028 attention: Gary DePew, President. Subscription checks should be made payable to the Company. If a subscription is rejected, all funds will be returned to subscribers within ten days of such rejection without deduction or interest. Upon acceptance by the Company of a subscription, a confirmation of such acceptance will be sent to the subscriber.

Investor Suitability Standards

Units will be sold only to a person who has either (i) has a net worth (or joint net worth with the purchaser's spouse) of at least $1,000,000, or (ii) has an annual gross income during the past two years and a reasonable expectation of annual gross income in the current year of at least $200,000 or $300,000 jointly with spouse, or (iii) otherwise meets the requirements for an Accredited Investor as defined in Rule 501 of Regulation D promulgated under Section 4(2) of the Securities Act of 1933, as amended. See the Purchaser Qualification Questionnaire in the Subscription Documents in Exhibit A to this Memorandum. In the case of sales to fiduciary accounts (Keogh Plans, Individual Retirement Accounts (IRAs) and Qualified Pension/Profit Sharing Plans or Trusts), the above suitability standards must be met by the fiduciary account, the beneficiary of the fiduciary account, or by the donor who directly or indirectly supplies the funds for the purchase of Units. Investor suitability standards in certain states may be higher than those described in this Memorandum. These standards represent minimum suitability requirements for prospective investors, and the satisfaction of such standards does not necessarily mean that an investment in the Company is suitable for such persons.

Each investor must represent in writing that he meets the applicable requirements set forth above and in the Subscription Agreement, including, among other things, that (i) he is purchasing the Units for his own account, for investment and not with a view toward distribution, and (ii) he has such knowledge and experience in financial and business matters that he is capable of evaluating without outside assistance the merits and risks of investing in the Units, or he and his purchaser representative together have such knowledge and experience that they are capable of evaluating the merits and risks of investing in the Units. Broker-dealers and other persons participating in the offering must make a reasonable inquiry in order to verify an investor's suitability for an investment in the Company. Transferees of Units will be required to meet the above suitability standards.

Interim Investments

Company funds not needed on an immediate basis to fund Company operations may be invested in government securities, money market accounts, deposits or certificates of deposit in commercial banks or savings and loan associations, bank repurchase agreements, funds backed by government securities, short-term commercial paper, or in other similar interim investments.

PLAN OF DISTRIBUTION

The Units are being offered by the Company on a best-efforts basis primarily by the officers, directors and employees of the Manager, and possibly through independent referral sources and by registered broker-dealers who are members of the Financial Industry Regulatory Authority ("FINRA"). As of the date of this Memorandum, the Company had not entered into any selling agreements with registered broker-dealers. The Company may pay selling commissions to participating broker-dealers who are members of the FINRA, and referral fees to finders.

Participating broker-dealers may also be paid or reimbursed for due diligence costs incurred by them in reviewing the Manager and the Company. Participating broker-dealers, if any, will be indemnified by the Company and the Manager with respect to this offering and the disclosures made in this Memorandum.

SUMMARY OF CERTAIN PROVISIONS OF THE OPERATING AGREEMENT

The following summarizes various provisions of the Operating Agreement (the "Agreement" or the "Operating Agreement") which will govern the management of the Company's business. The Manager and each Member will be a party to the Operating Agreement. A copy of the Agreement is attached to this Memorandum as Exhibit A. The following summary does not purport to be complete, and prospective purchasers of Units are encouraged to read the Agreement in full. Capitalized terms used in this section and not otherwise defined in the Memorandum are defined in the Agreement.

Limited Liability Company Act in California

The Limited Liability Company Act in the State of California (the "LLCA") provides for the organization of limited liability companies under California law. In general, limited liability companies afford members both the limited liability enjoyed by corporate Members and the pass-through tax advantages of a partnership. The Manager intends that the Company will qualify for taxation as a partnership under federal and state income tax laws.

Organization and Term of the Company

The Company is organized under the LLCA by the filing of Articles of Organization with the California Secretary of State. Unless earlier terminated as provided in the Agreement or by applicable law, the Company will continue until the date designated for termination in the Articles of Organization of the Company filed with the California Secretary of State, or if no such date is designated, in perpetuity.

Management of Operations

The operations of the Company will be managed by its Manager. The Manager will have full, exclusive and complete discretion in the management and control of the business and affairs of the Company, subject only to the right of the Members to vote on certain matters. Except for certain voting rights by the Members, the Members will not participate in the management of the Company.

Liability of Members

The members of the Company generally refer to the Members. In general, no member of the Company will be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the Company, whether that liability or obligation arises in contract, tort or otherwise, solely by reason of being a member of the Company. With certain limited exceptions, a member of a limited liability company will only have such personal liability to the same limited extent a Member of a corporation may be personally liable for corporate liabilities or participation in tortuous conduct. A manager generally has the same limited liability, except to the extent of its fiduciary duty to the members. See "FIDUCIARY DUTY OF MANAGEMENT."

Under the LLCA, a member is liable to the Company to the extent of such member's unpaid capital contribution. Further, such member's share of undistributed Company profits will be subject to creditors' claims. Under the LLCA and the Agreement, members are not permitted to take part in the management or control of the Company's business, subject only to their right to vote on certain matters upon which, generally, they are explicitly permitted to vote by the Agreement.

No distribution will be permitted and, as discussed below, any such distribution will be required to be returned by the recipient to the Company, if, after giving effect to the distribution, (a) the Company would not be able to pay its debts as they become due in the usual course of business or (b) the Company's total assets would be less than the sum of its total liabilities, subject to certain adjustments.

A member or assignee of a member is obligated to return a distribution from the Company to the extent that (a) the member or assignee had actual knowledge of the facts indicating the impropriety of the distribution under the LLCA and (b) immediately after giving effect to the distribution, all liabilities of the Company (other than liabilities

to members or assignees on account of their interest in the Company) exceed the fair market value of the Company's assets. The fair market value of any property that is subject to a liability as to which recourse of creditors is limited to such property will be included in the limited liability company's assets only to the extent that the fair market value of the property exceeds this liability.

Finally, the Agreement provides that any Manager (whether or not a member) having a deficit Capital Account upon termination of the Company will be required at such time to contribute to the Company sufficient cash to restore such Capital Account to a zero balance. No such obligation is imposed on the Members.

Admission of Members

Members who purchase Units will be admitted into the Company as Members for book, tax, accounting and all other purposes as of the first day of the month following the month in which their subscription is accepted by the Manager.

Withdrawal and Return of Contributions

Prior to dissolution and liquidation of the Company, no Member will be entitled to withdraw any of his contribution to the capital of the Company. Except as described below in "Allocations of Income, Gain, Deduction and Loss" and "Distributions of Cash and Other Assets," no Member has any priority over any other Member as to the return of his contribution to capital.

Allocations of Income, Gain, Deduction and Loss

Operating profits of the Company for each calendar year will be allocated to the Manager and among the Members, pro rata in accordance with their respective Participation Percentages, generally in accordance with cash available for distribution. Operating losses will generally be allocated among the Members and Manager, pro rata in accordance with their respective positive Capital Accounts, and thereafter in accordance with allocations of Cash Available for Distribution. All allocations of profits and losses are subject to the requirements of Section 704(b) of the Internal Revenue Code of 1986, as amended. See the Agreement itself for more complete information with respect to Company allocations.

Distributions of Cash and Other Assets

The Manager and the Members will participate in certain distributions of cash generated by the Company. See "DISTRIBUTIONS AND ALLOCATIONS." Except as explicitly provided in the Agreement, no Member has any other right of withdrawal and waives any other such right.

Compliance With Section 704(b) Regulations

The Treasury Department has promulgated certain regulations setting forth criteria for when allocations of a partnership's income, gain, losses or deductions (or items thereof) will be respected for federal income tax purposes. (As discussed above, the Manager intends that the Company will be taxed as a partnership.) These regulations, which are extremely complex, establish criteria for how capital accounts are to be maintained, how and when company assets are distributed on liquidation, how gain with respect to non-recourse obligations must be allocated, and how certain persons with deficit balances in their capital accounts on liquidation of a Company must recontribute such deficit to the Company. The Manager believes that the Agreement is drafted to satisfy the foregoing criteria.

Restrictions on Transfers of Members' Units and Withdrawals by Members from the Company

In general, the Agreement expressly provides that, with certain limited exceptions, no Member may transfer his Units in the Company without the prior written consent of the Manager. The Manager may approve or disapprove the transfer in his sole discretion. No person has the right to become an assignee of a Member's Units, and no assignee of a Member's Units has the right to become a substituted member, unless and until certain

conditions of the Agreement are met. Without compliance with such conditions, any nonsubstituted transferee or assignee will acquire an economic interest only, and will be deemed to take only the rights of his transferor or assignor to share in Company distributions. Prior to dissolution and termination of the Company, no Member may withdraw from the Company except pursuant to a valid permitted transfer of his entire interest in the Company to a person who becomes a substituted Member.

Members' Voting Rights

Members are entitled to vote, at a meeting or by written consent, prior to any such action being taken, to:

(a) Approve any act which would be in contravention of the Agreement.

(b) Approve any act, other than one described in another clause of this "Members' Voting Rights" section (in which case the provisions of that clause prevail over this clause), which would make it impossible to carry on the ordinary business of the Company or which would change the nature of the Company's business.

(c) Approve the confession of a judgment against the Company.

(d) Approve the possessing of Company property, or the assignment of the Company's right in such property, for other than a Company purpose.

(e) Approve the merger or dissolution and winding up of the Company.

(f) Approve non-ministerial amendments to the Agreement.

(g) Approve the admission of a Manager unless the proposed new Manager is an affiliate of the Manager.

(h) Where there is no remaining Manager, elect to continue the business of the Company or admit a Manager, except upon removal of the last Manager.

(i) Where there is no remaining Manager, admit a Manager or elect to continue the business of the Company following the removal of the last Manager.

(j) Remove a Manager.

The matters specified in (a) through (g) also require the concurrence of any person who is then a Manager. Approval of the matters set forth in (j) requires the consent of at least 75% of the Members, as measured by their respective Participation Percentages, subject to Section 14.3 of the Operating Agreement, and approval of the matters set forth in (a) through (i) requires the consent of more than 50% of the Members, as measured by their respective Participation Percentages. Except as otherwise specifically provided in the Agreement, members are not entitled to vote on any matter.

Meetings

Meetings of the Members may be called either by the Manager or by Members holding at least 50% of the Participation Percentages. Any Member may obtain from the Manager, at any time, a list of the names and addresses of all the Members. At any meeting of the Members, the presence in person or by proxy of a Majority-In-Interest of the Members shall constitute a quorum. A meeting of the Members may be called for voting on any matter upon which the Members are entitled to vote.

Accounting

The Manager will maintain the books and records of the Company. The books and records and other information pertaining to the Company will be available for inspection by any Member during reasonable times at the principal office of the Company.

Reports

The Manager will provide the Members with all tax information necessary for the preparation of their federal and state income tax returns within 90 days after the close of each calendar year. Within 120 days after the close of each calendar year of the Company, the Manager will distribute financial statements of the Company (including a balance sheet, statements of income and expense, and Members' equity) as at the end of and for the year then ended, together with a report of the activities of the Company during the Company year then ended. The annual financial statements need not be audited.

Manager's and Members' Independent Activities

The Agreement permits the Manager and Members to engage in other activities they choose, whether such activities are competitive with the Company or otherwise, without having any obligation to offer any interest in such activities to the Company or to any party to the Agreement.

Dissolution of the Company

The Company shall be dissolved upon the earlier of:

(a) The death, insanity, bankruptcy, retirement, resignation, expulsion, or dissolution of any Manager or any other event which, pursuant to the LLCA and unless otherwise provided in this Agreement, results in a Manager ceasing to be a Manager, unless a remaining Manager agrees to continue the business of the Company, or unless the Members elect to continue the business of the Company in accordance with the Agreement.

(b) An election to dissolve the Company made in writing by the Manager and a Majority in Interest of the Members.

(c) The sale, exchange, reversion to the Manager, or other disposition of all or substantially all of the assets of the Company; provided, however, that if the Company receives a purchase money note upon such sale, the Company shall continue in existence until such note is satisfied, sold or otherwise conveyed.

(d) The failure to elect a successor Manager within ninety (90) days from and after removal of the last Manager.

(e) The entry of a judgment of dissolution under the LLCA.

Upon dissolution of the Company and provided that the business of the Company is not continued in the manner described above, the Company will be wound up and the assets of the Company will be distributed (i) first to creditors, including (to the extent permitted by law) the Manager and Members who are creditors, to satisfy debts and liabilities of the Company, then (ii) to the parties responsible for winding up the Company's business, the compensation to which such persons are entitled for such services, and then (iii) to the Manager and Members in accordance with the Agreement. Upon completion of the foregoing, and filing of appropriate documentation with the California Secretary of State, the Company will terminate.

REPORTS TO MEMBERS

The Manager will maintain adequate books, records and accounts for the Company and keep the Members informed by means of written reports. In addition, Members will receive within 120 days after the end of each year an annual report containing the information regarding the Company's operations and a financial statement, which

need not be audited. The Manager will timely file the Company's income tax returns and will mail to each Member by March 31 of each year the information necessary for inclusion in his federal income tax return. See Articles Seventeen and Eighteen of the Operating Agreement.

ADDITIONAL INFORMATION

This Memorandum does not purport to restate all of the relevant provisions of the documents referred to or pertinent to the matters discussed herein, all of which must be read for a complete description of the terms relating to an investment in the Company. Such documents are available for inspection during regular business hours at the office of the Company, and upon written request, copies of documents not annexed to this Memorandum will be provided to prospective investors. Each prospective investor is invited to ask questions of, and receive answers from, representatives of the Company. Each prospective investor is invited to obtain such information concerning the terms and conditions of this offering, to the extent the Company possesses the same or can acquire it without unreasonable effort or expense, as such prospective investor deems necessary to verify the accuracy of the information referred to in this Memorandum. Arrangements to ask such questions or obtain such information should be made by contacting Gary DePew at the executive offices of the Company. The telephone number is (323) 319-4608.

The offering of the Units is made solely by this Memorandum and the exhibits hereto. The prospective investors have a right to inquire about and request and receive any additional information they may deem appropriate or necessary to further evaluate this offering and to make an investment decision. Representatives of the Company may prepare written responses to such inquiries or requests if the information requested is available. The use of any oral representations or any written documents other than those prepared and expressly authorized by the Company in connection with this offering are not to be relied upon by any prospective investor.

ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE OFFER BEING MADE HEREBY, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS MEMORANDUM. THE INFORMATION PRESENTED IS AS OF THE DATE ON THE COVER HEREOF UNLESS ANOTHER DATE IS SPECIFIED, AND NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION PRESENTED SUBSEQUENT TO SUCH DATE(S).

EXHIBIT A

COMPANY OPERATING AGREEMENT

OPERATING AGREEMENT
OF

VILLIJ MEDIA I, LLC

THIS OPERATING AGREEMENT OF Villij Media I, LLC (this "Agreement") is made as of this 1st day of May 2014 by and among Villij Media, Inc., a California corporation, as the "Manager," Gary DePew, as the original Member, those persons who have signed "Subscription Agreements" to purchase "Units," as the "Members" (as those terms are hereinafter defined), and Villij Media I, LLC, a California limited liability company. The parties hereto agree as follows:

1. DEFINITIONS. The following terms shall have the following meanings in this Agreement:

1.1 The term "Act" means the California Limited Liability Company Act as now in effect and as hereafter amended or revised.

1.2 The term "Affiliate" means, when used with reference to a specified person:

(a) the principal of the person;

(b) any person directly or indirectly controlling, controlled by or under common control with such person;

(c) any person owning or controlling ten percent (10%) or more of the outstanding voting interests of such person; and

(d) any successor-in-interest following a merger or similar transfer when such successor-in-interest is owned by the same persons who own such person; and

(e) any relative or spouse of such person.

1.3 The term "Agreement" means this Operating Agreement of Villij Media I, LLC, as originally executed and as amended from time to time, as the context requires.

1.4 The term "Articles" means the articles of organization filed with the California Secretary of State for the purpose of forming the Company, in the form prescribed by the Act and the California Secretary of State.

1.5 The term "Cash Available For Distribution" includes any cash received by the Company attributable to the operations of the Company, including proceeds of insurance to compensate for covered losses, less the sum of:

(a) Company debt service;

(b) current operating expenditures;

(c) a reasonable reserve for the operation of the business of the Company, as determined by the Manager.

"NO UNITS REPRESENTED BY THIS AGREEMENT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR QUALIFIED UNDER ANY STATE SECURITIES LAW, IN RELIANCE UPON EXEMPTIONS FOR SALES NOT INVOLVING ANY PUBLIC OFFERING AND UPON THE REPRESENTATION THAT SUCH UNITS WILL NOT BE TRANSFERRED UNLESS AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO THE MANAGER IS SUPPLIED TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED."

1.6 The term "Capital Account" means the account established for each Manager and Member pursuant to Treas. Reg. §1.704-1(b)(2)(iv). Each Manager's and Member's Capital Account shall be maintained in accordance with Section 704(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and Treas. Reg. §1.704-1(b)(2)(iv). The following rules shall apply:

(a) Each Manager's or Member's Capital Account shall be credited with (i) the amount of money contributed by such Manager and Member to the Company, (ii) the Gross Asset Value of property (other than cash) contributed by such Manager or Member to the Company, (iii) Operating Profits and any items of income and gain specially allocable to such Manager or Member, and (iv) the amount of any Company liability assumed by such Manager of Member or which is secured by any Company property distributed to such Manager or Member.

(b) Each Manager's or Member's Capital Account shall be debited by (i) the amount of distributions of Available Cash From Operations made to such Manager or Member, (ii) the Gross Asset Value of property distributed to such Manager or Member by the Company, (iii) Operating Losses and any items of deductions and losses specially allocable to such Manager and Member, and (iv) the amount of any liabilities of such Manager of Member assumed by the Company or which are secured by any property contributed by such Manager or Member to the Company.

(c) The amount of any liability determined under Paragraph 1.6(a) hereof or this Paragraph 1.6(c) shall be determined by taking into account Section 752(c) of the Code and other applicable provisions of the Code and the Regulations thereunder.

(d) Provided any such modifications do not adversely affect the rights of any Manager or Member, the Manager is hereby authorized to modify from time to time the method by which such Capital Accounts are maintained in order to comply with the requirements of the Code and the regulations promulgated thereunder. Unless a termination of the Company occurs under Section 708(b)(1)(B) of the Code, if a Manager or Member transfers his, her or its interests in the Company, the transferee, including any Economic Interest Holder, will succeed to the transferor's Capital Account.

1.7 The term "Code" means the Internal Revenue Code of 1986, as amended (or any corresponding provision or provisions of any succeeding law).

1.8 The term "Company" means Villij Media I, LLC, a California limited liability company.

1.9 The terms "Cumulative Operating Profits" and "Cumulative Operating Losses" mean the respective difference, measured from the commencement of the Company to the end of the applicable period of computation, between:

(a) the sum of the aggregate respective Operating Profits of the Company (or specified items thereof, as the case may be); and

(b) the sum of the aggregate respective Operating Losses of the Company (or specified items thereof, as the case may be).

1.10 The term "Depreciation" means, for each taxable year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset of the Company for such taxable year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such taxable year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such taxable year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such taxable year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

1.11 The term "Economic Interest" means a person's right to share in the Operating Profits, Operating Losses or similar items, and to receive distributions of Cash Available For Distribution from the Company, but does not include any other rights of a Member, including, without limitation, the right to vote or to participate in the management of the Company.

1.12 The term "Gross Asset Value" means, with respect to any asset, such asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Manager or Member to the Company shall be the gross fair market value of such asset, as determined by the contributing person and the Manager, provided that, if the contributing person is a Manager the determination of the fair market value of a contributed asset shall be determined by appraisal or agreement of the Members;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (i) the acquisition of an additional Unit in the Company (other than pursuant to Paragraph 9 hereof) by any new or existing Manager or Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Manager or Member of more than a de minimis amount of Company property as consideration for a Unit; and (iii) the liquidation of the Company within the meaning of Treas. Reg. §1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (i) and (ii) hereof shall be made only if the Manager reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Manager and Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Manager or Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Manager provided that, if the distributee is a Manager, the determination of the fair market value of the distributed asset shall be determined by appraisal or agreement of the Members; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(m) and Paragraph 1.6(d) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Paragraph 1.12(d) to the extent the Manager determines that an adjustment pursuant to Paragraph 1.12(b) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Paragraph 1.12(d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Paragraph 1.12(a), 1.12(b) or 1.12(d) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Operating Profits and Operating Losses.

1.13 The term "Majority in Interest of the Members," unless otherwise provided in the Agreement, means more than fifty percent (50%) of the interests of the Members in the current profits of the Company.

1.14 The term "Manager" means Villij Media, Inc. or any other duly elected Manager.

1.15 The term "Manager/Member Non-Recourse Debt" has the meaning set forth in Treas. Reg. §1.704-2(b)(4).

1.16 The term "Manager/Member Non-Recourse Debt Minimum Gain" means an amount, with respect to each Manager or Member Non-Recourse Debt, equal to the Company Minimum Gain that would result if such Manager or Member Non-Recourse Debt were treated as a Non-Recourse Liability, determined in accordance with Treas. Reg. §1.704-2(i)(3).

1.17 The term "Manager/Member Non-Recourse Deductions" has the meaning set forth in Treas. Reg. §§1.704-2(i)(1) and 1.704-2(i)(2).

1.18 The term "Member" means a person who:

(a) owns Units; and

(b) has been admitted to the Company as a Member in accordance with this Agreement, or an assignee of a Member, other than an Economic Interest Holder, who has become a Member pursuant to Paragraph 19 hereof; and

(c) has not resigned, withdrawn or been expelled as a Member or, if other than an individual, been dissolved.

The term "Member" does not include the Manager or Gary DePew, the original Member (the "Original Member"), except to the extent Gary DePew purchases Units. The Original Member will withdraw from the Company upon the admission of the first Member.

1.19 The term "Application" means the software program to be designed and produced by the Company.

1.20 The term "Non-Recourse Deductions" has the meaning set forth in Treas. Reg. §1.704-2(b)(1).

1.21 The term "Non-Recourse Liability" has the meaning set forth in Treas. Reg. §1.704-2(b)(3).

1.22 The terms "Operating Profits" and "Operating Losses" mean, with respect to any period of time, the net income for federal income tax purposes or net loss for federal income tax purposes of the Company.

1.23 The term "Participation Percentage" means the percentages for each Member derived by dividing the number of Units owned by such Member pursuant to Paragraph 9 of this Agreement by the sum of all Units owned by all Members.

1.24 The term "Subscription Agreement" means the Agreement signed by Members pursuant to which, inter alia, they agree to make their Capital Contributions, agree to be bound to this Agreement, and are admitted as Members of the Company.

1.25 The term "Units" means the right of a Member to allocations of Operating Profits and Operating Losses and to distributions of Cash Available for Distribution, to vote on matters as provided in this Agreement, and to receive information on the Company.

2. FORMATION.

The Members hereby organize the Company as a limited liability company pursuant to the provisions of the Act and the rights, duties, and liabilities of the Members shall be as provided in the Act, except as otherwise expressly stated in this Agreement. The Manager shall prepare, execute and cause the Articles to be filed with the California Secretary of State. If the Manager deems it to be in the best interests of the Company, the Manager shall cause a certified copy of the Articles to be recorded in the office of the recorder in each county in each state in which the Company hereafter holds title to real property or hereafter establishes a place of business. In addition, the Manager shall cause to be filed with the California Secretary of State, on the prescribed form, a statement containing the information required pursuant to the Act to be so filed.

3. NAME.

The name of the Company shall be "Villij Media I, LLC."

4. COMMENCEMENT; ADMISSION OF MEMBERS.

4.1 The Company shall commence its existence on the date upon which the Articles are duly filed with the California Secretary of State under the Act and shall continue its existence until it is dissolved pursuant to the provisions of the Act or this Agreement.

4.2 Each Member shall be admitted into the Company as a Member for tax, book, accounting, voting and all other purposes on the first day of the month following the month during which the Member's subscription for Units is accepted by the Manager, unless the Manager in its discretion selects a different admission policy that is reasonable and consistent with applicable law and regulation. As soon as practicable after the execution of this Agreement with respect to each new Member, the Manager shall issue a certificate of membership to each Member acknowledging his, her or its status as a Member.

5. STATUTORY AGENT FOR SERVICE OF PROCESS; PRINCIPAL EXECUTIVE OFFICE.

5.1 The initial statutory agent for the service of process and the initial principal office shall be that person and location set forth in the Articles as filed with the California Secretary of State. The Manager may, from time to time, change the statutory agent or registered office through appropriate filings with the California Secretary of State. In the event the statutory agent ceases to act as such for any reason or the registered office shall change, the Manager shall promptly designate a replacement statutory agent or file a notice of change of address, as the case may be, in accordance with the Act.

5.2 The principal executive office of the Company shall be at 6115 Selma Avenue, Suite 203, Los Angeles, California 90028, or such other place as the Manager may from time to time designate.

6. TERM.

Unless earlier terminated as provided in this Agreement or by law, the Company shall continue until the date designated for termination in the Articles of Organization of the Company filed with the California Secretary of State, or if no such date is designated, in perpetuity.

7. PURPOSES.

The Company is formed for the following purposes:

7.1 The financing, development, distribution, licensing, sale, and exhibition of the Application,.

7.2 The entering into, performing and carrying out of contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company.

7.3 The doing of any and all acts and things necessary, appropriate, proper, advisable, incidental to, or convenient for the furtherance and accomplishment of the business, objectives, and purposes set forth herein.

8. POWERS, RIGHTS AND DUTIES OF THE MANAGER.

8.1 Subject to the provisions of Paragraph 8.3 and the other applicable provisions of this Agreement, the Manager shall have the full, exclusive and complete authority and discretion in the management and control of the business of the Company for the purposes stated herein and shall have the right to make any and all decisions affecting the business of the Company. Subject to the provisions of this Agreement, the Manager, on behalf of the Company, shall have full and exclusive authority to execute and acknowledge any and all contracts, agreements, licenses and other documents, and to make withdrawals from Company checking, savings and similar accounts. Without limiting the generality of the foregoing, the Manager shall have the following rights and powers which it may exercise at the cost, expense and risk of the Company, without the consent of any of its Members.

(a) To expend the capital and income of the Company, if any, in the furtherance of the Company's business, including, but not limited to, financing, developing, producing, licensing, selling, distributing and exhibiting the Application, which includes, but is not limited to, causing the Company to pay compensation to, and to reimburse expenses incurred by, persons providing services to the Company, including but not limited to the Manager and its Affiliates;

(b) To cause the Company to incur borrowings and other indebtedness, and to execute and deliver all documents and instruments in connection with the financing, development, production, testing, launching, promotiong, licensing, distribution and sale of the Application;

(c) To execute and deliver assignments, licenses and other transfers and conveyances in connection with the Company's properties and operations;

(d) To execute and deliver promissory notes, checks, drafts, letters of credit, and other negotiable instruments on behalf of the Company;

(e) To hire on behalf of the Company such employees, independent contractors and personnel as the Manager deems necessary or appropriate in order to finance, develop, produce, sell, license, distribute and exhibit the Application, ,including but not limited to Affiliates of the Manager;

(f) To employ such attorneys, accountants and other persons, subject to the terms otherwise stated herein, as the Manager deems necessary or advisable to carry out the purposes of the Company;

(g) To purchase from or through others, contracts of liability, casualty and other insurance which the Manager deems advisable, appropriate, convenient or beneficial to the Company;

(h) To invest Company funds in government securities, certificates of deposit, banker's acceptances or similar investments;

(i) To enter into such agreements and contracts with such parties and to give such receipts, releases and discharges with respect to all of the foregoing and any matters incident thereto as the Manager deems advisable, appropriate or convenient;

(j) To delegate all or any of its duties hereunder, and in furtherance of any such delegation, to appoint, employ, or contract with any person deemed in its discretion necessary or desirable for the transaction of the business of the Company, including persons, firms or entities (i) which employ or are affiliated with or subject to the control of the Manager, and (ii) in which it has a proprietary interest. Such persons may, under the supervision of the Manager, (i) administer the day-to-day operations of the Company, (ii) serve as the Company's advisors and consultants in connection with policy decisions made by the Manager, (iii) act as consultants, accountants, correspondents, attorneys, brokers, escrow agents, or in any other capacity deemed by the Manager necessary or desirable, (iv) perform or assist in the performance of administrative or managerial functions necessary for the management of the Company, and (v) perform such other acts or services for Company as the Manager in its sole and absolute discretion may approve;

(k) To admit new Members into the Company and issue additional Units and other securities on such terms and conditions as determined by the Manager in its sole discretion;

(l) To cause the Company to sell, assign, hypothecate, pledge, convey, encumber or otherwise dispose of any, all or substantially all of its assets on such terms and conditions as determined by the Manager; and

(m) To execute and deliver any and all other instruments to carry out the purposes hereof.

8.2 The Manager shall possess and may enjoy and exercise all of the rights and powers of members and managers as provided by the Act, except to the extent any of such rights may be limited or restricted by the express provisions of this Agreement. The Manager shall devote such time to the Company and its business as shall be necessary to conduct the Company business, to operate and manage the Company in an efficient manner and to carry out the Manager's responsibilities as herein provided. The Manager shall have the right to elect directors and officers of the Company and shall be entitled to elect themselves or others, including Affiliates, to any such directorships and offices.

8.3 Notwithstanding the provisions of this Article 8, neither the Manager nor any Member shall have any right, power or authority to:

(a) Do any act in contravention of this Agreement without first obtaining the written consent thereto of a Majority in Interest of the Members.

(b) Do any act, other than one specified in another clause of Article 8 of this Agreement (in which case the provisions of that clause shall prevail over this clause), which would (i) make it impossible to carry on the ordinary business of the Company, or (ii) change the nature of the Company's business, without first obtaining the written consent thereto of a Majority in Interest of the Members.

(c) Confess a judgment against the Company, without first obtaining the written consent thereto of a Majority in Interest of the Members.

(d) Possess Company property, or assign the Company's right in such property, for other than a Company purpose without first obtaining the written consent thereto of a Majority in Interest of the Members.

(e) Admit a person as an additional manager other than an Affiliate of the Manager, without first obtaining the written consent of a Majority in Interest of the Members.

(f) Amend this Agreement without first obtaining the written consent thereto of a Majority in Interest of the Members, unless the amendment is ministerial.

8.4 Any person not a party to this Agreement who shall deal with the Company shall be entitled to rely conclusively upon the power and authority of the Manager as set forth herein.

8.5 The Company shall reimburse the Manager for all out-of-pocket expenses and an allocable portion of indirect overhead expenses incurred by the Manager in conducting the Company's business, and all direct and indirect disbursements to third parties made and obligations incurred on behalf of the Company to third parties, including items such as the Company's legal expenses and other costs and expenses incurred in the operation of the Company's business. The Manager and its Affiliates may earn compensation in connection with the financing, development, production, distribution, sale, licensing and exhibition of the Applications, and may provide other services to the Company from time to time and shall be entitled to receive compensation for such services; provided, that such compensation may not exceed the amount which would be payable to an unaffiliated party for similar services in the same geographic area.

9. CAPITAL CONTRIBUTIONS.

9.1 The Manager may but shall not be obligated to contribute capital to the Company other than an initial capital contribution of $1,000 in cash made upon the formation of the Company. Any capital contributions made by the Manager for the purchase of Units (not including the initial $1,000 cash capital contribution) and by the other Members pursuant to Paragraph 9.2 hereof shall be referred to as the "Capital Contributions."

9.2 The Members shall make an aggregate Capital Contribution to the Company in the amount determined by the Manager, at a price of Twenty Five Thousand Dollars ($10,000) per Unit. Concurrently with the execution and delivery to the Manager of the Subscription Agreement, each Member shall deliver in cash to the Manager the amount of his, her or its respective Capital Contribution, all as set forth on the Subscription Agreement for each such Member.

9.3 Subject to the provisions of Paragraph 12.3 below, no Member shall be personally liable for any obligations or debts of the Company or any of its losses beyond the total amount the Member has agreed to contribute to the capital of the Company and to the Member's share, if any, of the undistributed Cash Available For Distribution attributable to the Member. Except as provided in this Paragraph 9, and in Paragraph 12.3 below, no Member shall have any obligation to make an additional Capital Contribution to the Company.

9.4 Except as specifically provided in this Agreement, no Manager or Member shall be entitled to interest on his, her or its Capital Contributions.

10. ADVANCES.

10.1 If any funds are required by the Company for the operation of its business in excess of the Capital Contributions made by the Members required pursuant to Paragraph 9 above and loans obtained from third parties, then any Member and Manager shall have the right, but not the obligation, upon the approval of the Manager, to advance such funds (the "Advances") to the Company.

10.2 If any Manager or Member makes an Advance pursuant to Paragraph 10.1 above, such Advance shall constitute an unsecured loan to the Company.

10.3 The terms and conditions of an Advance by any Member or Manager shall be determined by the Manager pursuant to its best business judgment. The Advance shall be evidenced by a promissory note and shall be repaid to the Member or Manager making the Advance pursuant to Paragraph 12 of this Agreement.

10.4 If any Member or Manager lends money to the Company for any purpose, whether as an Advance or otherwise, in connection with such loan the Member or Manager shall be deemed an unsecured creditor of the Company, and not a Member, for the purpose of determining his, her or its right and priority to the payment of interest on and the repayment of the principal of such loan.

11. PROFITS AND LOSSES.

11.1 Subject to Paragraph 11.3 hereof, Operating Losses of the Company shall be allocated first, in accordance with previously allocated Operating Profits, and then second, among the Manager and Members pro rata in accordance with their respective positive Capital Accounts, if any, and thereafter 20% to the holders of Units, pro rata among them in accordance with their Participation Percentages, and 80% to the Manager, subject to proportionate adjustment (in the fourth case above) to the extent that the allocations of Cash Available for Distributions are adjusted pursuant to Paragraph 12.2(d) of this Agreement.

11.2 Subject to Paragraph 11.3 hereof, Operating Profits shall be allocated among the Manager and Members (A) first, in proportion to Operating Losses previously allocated, and then (B) in accordance with distributions of Cash Available for Distribution pursuant to Paragraphs 12.2(b), 12.2(c), and 12.2(d) of this Agreement or, in the absence of distributions of Cash Available for Distribution..

11.3 No allocation of Operating Profits and Operating Losses shall be made under Paragraphs 11.1 or 11.2 hereof without compliance with the following:

(a) Notwithstanding anything contained in this Paragraph 11 to the contrary, if there is a net decrease in "Minimum Gain," as such term is defined in Paragraph 11.3(b) hereof, for any Company taxable year, each Member shall be allocated items of Company income and gain for such year in accordance with Treas. Reg. §§1.704-2(f), (g) and (j).

(b) "Minimum Gain" with respect to any taxable year of the Company means the minimum gain of the Company computed strictly in accordance with the principles of Treas. Reg. §§1.704.2(f), (g) and (j). Subject to the previous sentence, "Minimum Gain" means the sum, for all Company assets, of the amounts of taxable income or gain that would be realized if each such asset were disposed of for an amount equal to the nonrecourse liabilities (as defined under Treas. Reg. §1.704-2(b)) ("Non-Recourse Liabilities") secured by such assets. For this purpose, where any such asset is subject to multiple Non-Recourse Liabilities of unequal priority, the adjusted basis of such asset shall be allocated among such Non-Recourse Liabilities in order of priority from most senior first to least senior last. Where two or more Non-Recourse Liabilities are of equal priority, basis shall be allocated among such Non-Recourse Liabilities pro rata in proportion to the outstanding balances of such Non-Recourse Liabilities.

(c) Notwithstanding anything contained in this Article 11 to the contrary, if any Member unexpectedly receives an allocation or distribution described below, and such allocation or distribution causes or increases a deficit balance in such Member's Capital Account, such Member shall be allocated items of income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate such deficit balance as quickly as possible. The allocations and distributions referred to in the preceding sentence are the following:

(i) Any allocations of Operating Losses or other deductions that, as of the end of such year, reasonably are expected to be made to such Member pursuant to Sections 704(e)(2) and 706(d) of the Code, or pursuant to Treas. Reg. §1.751-1(b)(2)(ii).

(ii) Any distributions that, as of the end of such year, reasonably are expected to be made to such Member to the extent they exceed offsetting increases to such Member's Capital Account that reasonably are expected to occur during (or prior to) the Company taxable years in which such distributions reasonably are expected to be made (other than increases pursuant to the Minimum Gain chargeback provided in Paragraph 11.3(a) hereof).

The provisions of this Paragraph 11.3(c) are intended to be a "Qualified Income Offset" within the meaning of Treas. Reg. §1.704-1(b)(2)(ii)(d). In the event of any conflict between this Paragraph 11.3(c) and those Regulations, the Regulations shall prevail.

(d) Any Operating Losses or other expenditures of the Company under Section 705(a)(2)(B) of the Code, attributable to a loan made by a Member to the Company for which such lending Member bears the "economic risk of loss," as that term is defined in Treas. Reg. §1.704-1T(b)(4)(iv)(k)(1), shall be allocated to such lending Member.

(e) Non-Recourse Deductions for any taxable year shall be specially allocated to the Manager and Members.

(f) Any Manager/Member Non-Recourse Deductions for any taxable year shall be specially allocated to the Manager or Member who bears the economic risk of loss with respect to the Manager/Member Non-Recourse Debt to which such Manager/Member Non-Recourse Deductions are attributable in accordance with Treas. Reg. §1.704-2(2)(i)(1).

(g) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(m)(2) or Treas. Reg. §1.704-1(b)(2)(iv)(m) (4), to be taken into account in determining Capital Accounts as the result of a distribution to a Manager or Member in complete liquidation of his, her or its interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment decreases the basis of the asset) and such gain or loss shall be specially allocated to the Manager and Members in accordance with their interests in the Company in the event that Treas. Reg. §1.704-1(b)(2)(iv)(m)(2) applies, or to the Managers and Members to whom such distribution was made in the event that Treas. Reg. §1.704-1(b)(2)(iv)(m)(4) applies.

(h) Syndication expenses for any taxable year shall be specially allocated to the Members in proportion to their relative Capital Contributions.

(i) In the event that any Member contributes property other than cash to the Company, all allocations of Operating Profits, Operating Losses and items thereof shall be made in accordance with the principles of Section 704(c) of the Code.

(j) Any special allocation of items of Company income, gain, loss or deduction to a Member ("Special Allocations") shall be taken into account in computing subsequent allocations of Operating Profits and Operating Losses to such Member in such a manner that the net amount of all such Special Allocations and allocated Operating Profits and Operating Losses shall equal the amount of Operating Profits and Operating Losses computed as if such Special Allocations had not been required, that would have been allocated to such Member if such Special Allocations had not been made.

12. DISTRIBUTIONS BY THE COMPANY.

12.1 Subject to all of the provisions of this Agreement, Cash Available For Distribution shall be distributed to the Manager and Members at such times and in such amounts as are determined in the sole and absolute discretion of the Manager.

12.2 Cash Available For Distribution shall be distributed as follows:

(a) First, to any Manager or Member, the amount then due on any Advances, payable to each Manager or Member in the same ratio as the amount of the Advances bears to the aggregate amount (including interest thereon) of unpaid Advances outstanding to the Manager and all Members at the time of such distribution.

(b) Second, 20% among the holders of the Units, pro rata in accordance with their Participation Percentages, subject to proportionate adjustment upward, if more than $200,000 of Units are issued, and downward if less than $200,000 of Units are issued; and 80% to the Manager, subject to corresponding adjustment upward or downward to the extent that the allocations to the Series A and/or Series B Unit holders are adjusted in order to account for 100% of cash available for distribution.

(c) Notwithstanding anything else herein to the contrary, to the extent that more or less than a total of $200,000 is raised in the Company's offering of Units, the respective Members' interest in allocations and distributions as set forth in Paragraph 12.2(c) of this Agreement will be decreased or increased proportionately and the Manager's interest will be increased or decreased a corresponding amount

12.3 Notwithstanding anything contained in this Agreement to the contrary, Members are liable to return any Company distributions of cash or other assets, with interest, if, immediately following such distribution, the liabilities of the Company, other than liabilities to Members on account of their interest in the Company and liabilities as to which recourse of creditors is limited to specified property of the Company, exceed the fair saleable value of the assets of the Company, not including those assets which are subject to liabilities as to which recourse of creditors is limited, except to extent to which the fair saleable value of such assets exceeds the liabilities to which they are subject.

12.4 No Member shall have the right to demand and receive property other than cash upon any distribution from the Company, including, without limitation, distributions upon dissolution of the Company. Each Member waives any such right he, she or it may have to distributions other than cash pursuant to the Act.

12.5 No distribution of Cash Available For Distribution shall be made until the allocations described in Article 11 hereof have first been made and, thereafter, distributions of Cash Available For Distribution shall be made first. Liquidating distributions pursuant to Paragraph 21.3 hereof shall be made after taking into account all Capital Account adjustments for the taxable year during which such liquidation occurs (other than adjustments from liquidating distributions) and the effect of a deficit balance in any Manager's Capital Account, and shall be made by the end of such taxable year (or, if later, within ninety (90) days after the date of such liquidation).

13. RIGHTS AND OBLIGATIONS OF THE MEMBERS.

13.1 Except as expressly provided in this Agreement to the contrary, the Members (excluding a Manager who is also a Member) shall take no part in the operation, management or control of the Company's business.

13.2 The Members (excluding a Manager who is also a Member) shall have no power to sign for or to bind the Company. All authority to act on behalf of the Company is vested in the Manager. Any Member who takes any action to bind the Company in contravention of this Agreement shall indemnify the Company for any costs, expenses, claims or liabilities incurred by the Company as a result of the unauthorized action of such Member. Without limiting the foregoing, the exercise by a Member of any rights granted by this Agreement, or serving as a third-party contractor, consultant or surety of the Company, shall not be deemed to be taking part in the execution, management or control of the Company's business.

13.3 Subject to the provisions of Paragraph 12.3 of this Agreement, Members shall not be personally liable for any obligations or debts of the Company or any of its losses beyond the total amount the Members have agreed to contribute to the capital of the Company and to the Members' share, if any, of the undistributed Cash Available For Distribution attributable to the Members.

13.4 The Members are entitled to vote by written consent or at a meeting, prior to any such action being taken, to do any of the following, subject to Article 8 of this Agreement:

(a) Approve any act which would be in contravention to this Agreement.

(b) Approve any act, other than one specified in Paragraphs 8.1 and 8.2 of this Agreement (in which case the provisions of that clause shall prevail over this clause) which would make it impossible to carry on the ordinary business of the Company.

(c) Approve the confession of a judgment against the Company.

(d) Approve the possessing of Company property, or the assignment of the Company's right in such property, for other than a Company purpose.

(e) Approve the merger, dissolution and winding up of the Company.

(f) Approve any nonministerial amendment to this Agreement or the Articles. The Manager may make ministerial amendments to this Agreement or the Articles without the approval of any Members.

(g) Approve the admission of a Manager other than an Affiliate of the Manager, except after the only remaining Manager ceases to be a Manager.

(h) Where there is no remaining Manager, elect to continue the business of the Company or admit a Manager, except upon removal of the last Manager.

(i) Where there is no remaining Manager, admit a Manager or elect to continue the business of the Company following the removal of the last Manager.

(j) Remove a Manager, as provided in Paragraph 14.3 hereof.

The matters specified in Paragraphs 13.4(a) through (g) above also requires the concurrence of the Manager. Approval of the matters set forth in paragraph 13.4(j) hereof requires the approval of at least 75% of the Members, based on their Participation Percentages, subject to Paragraph 14.3 of this Agreement. Approval of the matters set forth in Paragraphs 13.4(a) through (i) requires the approval of at least a Majority in Interest of the Members. In the case of any other matter with respect to which the Members are entitled to vote under this Agreement, action shall be taken if approved by Manager and a Majority in Interest of the Members. Except as provided in this Paragraph 13.4 or elsewhere in this Agreement, no Member shall have the right to vote on any matter affecting the Company's business.

13.5 Meetings of the Members may be called either by the Manager or by Members holding at least 50% of the Participation Percentages. Any Member may obtain from the Manager, at any time, a list of the names and addresses of all the Members. At any meeting of the Members, the presence in person or by proxy of a Majority in Interest of the Members shall constitute a quorum. A meeting of the Members may be called for voting on any matter upon which the Members are entitled to vote. The Company is not obligated to have meetings of the Members unless called by the Manager or the Members in accordance with the terms of Section 13.5 of this Agreement.

14. ADDITIONAL MANAGERS; WITHDRAWAL; REMOVAL.

14.1 Persons may be admitted to the Company as additional or substitute Managers with the consent of the Manager only, and without the consent of any Member, if the proposed additional or substitute Manager is an Affiliate of the Manager, or if the proposed additional or substitute Manager is not an Affiliate of the Manager, with the consent of the Manager and a Majority-In-Interest of the Members, subject to Sections 13.4(g), 13.4(h), 13.4(i) and 13.4(j) of this Agreement.

14.2 The Manager shall have the right to withdraw or resign from the Company upon 90 days prior written notice to the Members.

14.3 A Manager may be removed by Members holding at least 75% of the Participation Percentages, provided such Manager has breached its fiduciary duty to the Company, or has acted in a bad faith manner with respect to the Company and its business.

15. AMENDMENTS.

15.1 Amendments may be made to this Agreement from time to time with the consent of the Members as provided in Paragraph 13.4(f) above or, if the amendment is ministerial, by the Manager without the consent of any Member.

15.2 In making amendments, there shall be prepared and filed by the Manager, such documents, amendments, certificates and statements as shall be required to be prepared and filed pursuant to the Act and under the laws of the other jurisdictions in which the Company owns property or is required to file.

15.3 The consent of the Manager to any amendment to this Agreement shall be deemed approved by the Manager if executed by him.

16. INSURANCE.

The Company may procure liability insurance (or shall be designated as an additional insured, if appropriate) which will protect it from liability to others because of personal injury (including death) and property damage which may arise from operations under this Agreement, and such other insurance as is customary, desirable or required for the conduct of the Company's business, as determined by the Manager in its sole discretion.

17. FISCAL YEAR, BOOKS AND RECORDS AND BANK ACCOUNTS.

17.1 The Company, for accounting and income tax purposes, shall operate on a calendar year coincident with the calendar year and shall utilize such accounting principles and income tax elections and determinations as shall be determined by the Manager. The Manager shall serve as the "Tax Matters Partner" for the Company.

17.2 The books and records of, and other information pertaining to, the Company shall be available for inspection, audit, and copying by any Member (or holder of an Economic Interest) or his representatives during normal business hours at the principal executive office of the Company set forth in Paragraph 5.2 of this Agreement. Such books, records and other information shall include:

(a) a copy of the initial Articles and all amendments thereto, together with executed copies of any powers of attorney pursuant to which the Articles have been executed;

(b) copies of the Company's federal, state and local income tax or information returns and reports, if any, for the three (3) then most recent taxable years;

(c) copies of this Agreement and all amendments thereto and copies of all prior operating agreements and amendments thereto no longer in effect;

(d) financial statements of the Company for the three (3) then most recent calendar years;

(e) the Company's books and records for at least the then current and past three (3) calendar years; and

(f) any other documents required under the Act.

Upon the request of the Members, the Manager shall promptly deliver to such Members, at the expense of the Company, (i) a copy of the information referred to in clauses (a) and (d) of this Paragraph 17.2; (ii) after becoming available, a copy of the Company's federal, state and local income tax information returns for each year; and (iii) a copy of any amendment to the Agreement executed by the Manager pursuant to a power of attorney from the Members, or pursuant to their right to do so amend without the concurrence of the Members.

17.3 Each Member may inspect and copy other information regarding the affairs of the Company as is just and reasonable for any purpose reasonably related to such Member's Units.

17.4 All funds of the Company shall be deposited in a separate bank account or accounts as shall be determined by the Manager and the Manager shall be entitled to sign on all such accounts.

17.5 The Manager shall maintain the books and records for the Company.

18. REPORTS BY THE COMPANY.

18.1 The Manager shall furnish the Members with all information required for preparation of the Members' federal and state income tax returns within ninety (90) days after the end of the Company's fiscal year.

18.2 The Manager shall furnish the Members with a balance sheet and an income statement prepared by the Manager as soon as is reasonably practicable after the end of each fiscal year of the Company.

19. RESTRICTIONS ON TRANSFER; ASSIGNEES; ADMISSION OF SUBSTITUTE MEMBERS.

19.1 Except as provided in Paragraph 19.4, below, and notwithstanding anything to the contrary contained in the Act, the Members shall not sell, transfer, assign, pledge, hypothecate, encumber, subject to a security interest or otherwise dispose ("Transfer") of their Units, or any part thereof, without first obtaining the consent of the Manager, and any act in violation of this Paragraph 19.1 shall be null and void ab initio.

19.2 Notwithstanding anything in the foregoing Paragraph 19.1 above to the contrary, before being effective, any Transfer of Units to a third party must, in the opinion of the Company, (a) comply with all applicable federal, state and local securities laws and regulations with respect to transfers of securities, and (b) not create adverse consequences to the Company or any of the non-assigning Members under any applicable federal, state or local tax laws. Each Member agrees, before effecting any proposed Transfer, to notify the Company of the same and not to effect the proposed transfer without first obtaining such opinion and otherwise complying with the terms and conditions of this Agreement. Each Member also agrees to notify the Company in writing of the date of effecting any such Transfer, the name and address of the transferee(s) and the portion of the Units intended to be transferred to each transferee.

19.3 Each Member agrees that notwithstanding the provisions for transfer of any Units contained herein, the Units, when and if transferred, shall remain subject to all of the terms and conditions of this Agreement.

19.4 Notwithstanding anything contained in Paragraphs 19.1 and 19.2 above to the contrary, a Member's Units, or a portion thereof, may be transferred to persons or entities entitled thereto pursuant to any execution or judicial sale; provided, however, the transferee in such case shall only become an Economic Interest holder with respect to such Units transferred, and shall in no event become a Member unless and until such transferee is admitted as a substituted Member in accordance with the provisions of Paragraphs 19.1 and 19.2 hereof.

19.5 A Manager shall have a right to assign its interest in Operating Profits, Operating Losses and Cash Available For Distribution without the consent of any Member, provided, that a Manager may not be added or substituted except in accordance with Paragraphs 13.4(g) and 14.1 of this Agreement.

19.6 An Economic Interest holder who has become a Member has the rights and powers to the extent assigned and is subject to the restrictions and liabilities of a Member under the Articles, this Agreement and the Act. An Economic Interest holder who becomes a Member is also liable for any obligation of his, her or its assignor to make Capital Contributions to the Company to the extent not previously made.

19.7 A Member who has assigned all or a portion of his, her or its Units in the Company is not released from his, her or its liability to the Company without the written consent of all Members, whether or not the Economic Interest holder becomes a Member. A Member who has assigned all of his, her or its interest in the Company remains a Member until the admission of the Economic Interest holder as a Member as herein provided.

20. INDEMNIFICATION AND LIABILITY OF MANAGER.

20.1 The Company, its receiver or its trustee, shall indemnify, hold harmless and pay all judgments and claims against (a) the Manager and the Company's and the Manager's executive officers and directors from any liability or damage incurred by reason of any act performed or omitted to be performed by them in connection with the business of the Company, except as provided in Paragraph 20.3 of this Agreement or (b) the Members for any act performed by them which is expressly permitted by this Agreement, including attorneys' fees and costs incurred by them in connection with the defense of any action based on any such act or omission, which attorneys' fees and costs may be paid as incurred, including all such liabilities under federal and state securities laws as permitted by law. All judgments against the Company and its Members on which any Member is entitled to indemnification must first be satisfied from Company assets before the Member in question is responsible for such obligations.

20.2 In the event of any action by a Member against the Manager or an officer or director of the Company or the Manager, including a Company derivative suit, the Company will indemnify, save harmless and pay all expenses of the Manager and the officer and director, including attorneys' fees and costs incurred in the defense of such action, if such Manager, officer or director is successful in such action.

20.3 The Manager and the executive officers and directors of the Manager and the Company shall not be relieved from any liability for any acts or omissions resulting from a material breach of their obligations hereunder or from bad faith. Indemnification to which the Manager or an officer or director of the Company is entitled under this Paragraph 20 shall be recoverable out of the assets of the Company but not from the Members.

20.4 The Manager and the executive officers and directors of the Manager and the Company shall not be liable to the Members or to the Company for any loss resulting from errors made by the Manager or such executive officers or directors in the reasonable exercise of business judgment, unless such errors result from a material breach of this Agreement or bad faith by the Manager or such executive officers or directors.

21. DISSOLUTION AND LIQUIDATION.

21.1 The Company shall be dissolved upon the earlier of:

(a) The death, insanity, bankruptcy, retirement, resignation, expulsion, or dissolution of any Manager or any other event which, pursuant to the Act and unless otherwise provided in this Agreement, results in a Manager ceasing to be a Manager, unless a remaining Manager agrees to continue the business of the Company, or unless the Members elect to continue the business of the Company in accordance with Section 13.4 of this Agreement.

(b) An election to dissolve the Company made in writing by the Manager and a Majority in Interest of the Members.

(c) The sale, exchange, reversion to the Manager, or other disposition of all or substantially all of the assets of the Company; provided, however, that if the Company receives a purchase money note upon such sale, the Company shall continue in existence until such note is satisfied, sold or otherwise conveyed.

(d) The failure to elect, as provided in Paragraph 13.4(i) of this Agreement, a successor Manager within ninety (90) days from and after removal of the last Manager.

(e) The entry of a judgment of dissolution under the Act.

21.2 Upon the dissolution of the Company, the Manager (which term, for the purpose of this Paragraph 21.2, shall include the trustees, receivers or other persons required by law to wind up the affairs of the Company) shall wind up the affairs of the Company as provided in the Act. The Company shall engage in no further business thereafter other than that necessary to wind up the business in accordance with the Act and distribute the assets in accordance with this Agreement. The Members shall continue to allocate Operating Profits and Operating Losses during the winding up period in the same manner as such amounts were divided before dissolution. The parties responsible for winding up shall be entitled to reasonable compensation for their services in connection therewith, which compensation shall be considered an expense of the Company. The Manager may, from time to time and at any time, have the assets or any one or more of them appraised at the expense of the Company for distribution in kind, subject to existing liens and encumbrances.

21.3 From and after the dissolution of the Company, the proceeds from the liquidation of the Company's property and from the operation of the Company's business shall, in accordance with Paragraph 12 of this Agreement, be applied and distributed in the following order:

(a) To creditors, including (to the extent permitted by law) Members who are creditors, in satisfaction of liabilities of the Company other than liabilities for distributions to Members and former Members under Paragraph 12 of this Agreement.

(b) To the parties responsible for winding up the Company, the compensation to which they are entitled for their services in winding up the affairs of the Company.

(c) To the Manager and Members in accordance with Paragraph 12.2 above, (i) any previously generated Cash Available For Distribution which has been earmarked by the Manager for distribution to the Manager and Members but which has not yet been distributed, and (ii) any Cash Available For Distribution which is generated during the period described in Paragraph 21.2 above.

(d) The remainder, if any, to the Manager and Members in accordance with Paragraph 12.2 above.

21.4 Subject to this Paragraph 21, the business and affairs of the Company shall be wound up in the manner provided in the Act.

21.5 As soon as practicable after the dissolution of the Company, a final statement of its assets and liabilities shall be prepared by the Company and furnished to the Members.

21.6 As soon as possible after any of the events specified in this Paragraph 21 effecting the dissolution of the Company occurs, the Manager shall file a written notice of winding up with the California Secretary of State signed on behalf of the Company containing such information as is required by the Act.

21.7 Provided all of the known property and assets of the Company have been applied and distributed pursuant to the Act and this Agreement, written articles of termination shall be signed on behalf of the Company by the Manager. The Manager shall file the articles of termination with the California Secretary of State containing such information as is required by the Act.

22. INVESTMENT REPRESENTATIONS.

Each Member, by executing a copy of this Agreement, hereby represents and warrants to each other Member and the Company as follows:

22.1 The Units are being acquired for his, her or its own account, for investment, and not with a view to or for sale in connection with any distribution thereof. In that connection, the Member recognizes and understands that the Units being purchased and sold hereunder have not been registered under the 1933 Act nor qualified under any state securities laws by reason of the fact that the contemplated transaction constitutes a private offering within the meaning of Section 4(2) of the 1933 Act and Rule 506 of Regulation D promulgated thereunder.

22.2 The Member has been fully advised of the facts respecting the organization and business of the Company and has been given the opportunity to consult his, her or its legal counsel with respect to the Company. The Member hereby agrees that the offer and sale of the Units to him, her or it does not involve any public offering of such Units.

23. SPECIAL AND LIMITED POWER OF ATTORNEY.

Each Member hereby grants to the Manager a special and limited power of attorney, as set forth below:

23.1 The Manager acting alone shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on the behalf of each such Member to execute, acknowledge, and swear to in the execution,

acknowledgment and filing of documents, which shall include by way of illustration but not of limitation the following:

(a) The Articles, the Agreement, any separate articles of organization, as well as any amendments to the foregoing which, under the laws of the State of California or the laws of any other state, are required to be executed or filed or which the Manager shall deem it advisable to have executed or to file;

(b) Any other instrument or document which may be required to be executed or filed by the Company under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to have executed or to file; and

(c) Any instrument or document which may be required to effect the continuation of the Company, the admission of additional or substituted Members, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of the Articles and the Agreement), or to reflect any reductions in amount of contributions of Members.

23.2 The special and limited power of attorney of the Manager:

(a) Is a special power of attorney coupled with an interest, is irrevocable, shall survive the death of the granting Member, and is limited to those matters herein set forth;

(b) May be exercised by the Manager acting alone for each of the Members by the signature of the Manager acting as attorney-in-fact for all of the Members, together with a list of all Members executing such instrument by their attorney-in-fact; and

(c) Shall survive an assignment by a Member of all or any portion of his, her or its Units except that, where the Economic Interest holder of such Units has been approved by the Manager for admission to the Company as a substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file an instrument or document necessary to effect such substitution.

24. MISCELLANEOUS.

24.1 Notices. Any notice, request, demand, instruction or other document to be given hereunder or pursuant hereto to any party shall be in writing and shall either be personally delivered (in which event such notice shall be deemed effective only upon such delivery), or delivered by mail, sent by registered or certified mail, postage prepaid, return receipt requested to each of the Members at the address set forth on the Company's records. Notices so mailed shall be deemed to have been given seventy-two (72) hours after the deposit of same in the United States mail, postage prepaid, addressed as set forth above. Notice shall not be deemed given unless and until under the preceding sentence notice shall be deemed given to all addressees to whom notice must be sent. The addresses and addressees, for the purpose of this Paragraph 24.1, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received, the last address and addressee stated by written notice, or as provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

24.2 Binding Effect. This Agreement shall be binding upon all of the Members and their executors, administrators, successors and permitted assignees.

24.3 Regulations and Laws. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law. This Agreement is made under and shall be construed pursuant to the laws of the State of California.

24.4 Attorneys' Fees. In the event of any action for breach of or to enforce or declare rights under any provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, to be paid by the losing party.

24.5 Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement, binding upon all of the parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterparts.

24.6 No Other Agreement. The entire agreement of the parties with respect to the Company is contained and referred to herein.

24.7 Headings. The paragraph headings of the various provisions hereof are intended solely for convenience of reference and shall not in any manner amplify, limit or modify, or otherwise be used in the interpretation of, any of said provisions.

24.8 Competitive Activities. Nothing herein contained shall preclude any Manager or Member from owning, purchasing, selling, or otherwise dealing in any manner with any property or engaging in any business whatsoever without notice to any other Manager or Member, without participation of any other Manager or Member, and without liability to any other Manager or Member. It is understood that any Manager or Member may now or hereafter engage in any business or possess any property of any type, whether or not such business or such property competes with the business or property of the Company. Each Manager and Member hereby waives any right which he, she or it may have against others who may capitalize on or take advantage of information learned as a result of an association with the Company.

24.9 Gender and Tense. As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

24.10 Remedies. If any party to this Agreement shall fail to observe or perform any term, covenant, condition or other obligation on his, her or its part to be observed or performed pursuant to this Agreement or in connection with this Agreement (the "Defaulting Party"), any other party to this Agreement, in addition to and not in lieu or in limitation of, any of his, her or its other remedies under this Agreement, under any statute or at law, shall be entitled to apply to, and obtain from, any court of equity having jurisdiction over the Defaulting Party:

(a) An injunction, temporary restraining order and any other prohibitory decree to prevent any further such failure to observe or perform on the part of the Defaulting Party; and

(b) A decree for specific performance of any such term, covenant, condition or other obligation.

24.11 No Waiver. The waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise hereunder. The waiver by any party of the time for performing any act shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. The exercise of any remedy shall not exclude other consistent remedies.

24.12 Section 704(c). If any party makes a contribution of property to the Company, the adjusted basis of which for income tax purposes is different from the value at which such property is accepted by the Company, the Company shall elect to have such difference allocated to the contributing party pursuant to Section 704(c) of the Code and any comparable state statute.

24.13 No Third-Party Benefit. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any person or entity who is not a party to this Agreement.

24.14 Section 754 Election. The Manager may, in its sole and absolute discretion, make the election provided for in Section 754 of the Code.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

"MANAGER"

VILLIJ MEDIA, INC.

By: _____
Gary DePew, President

Address for Manager:

6115 Selma Avenue, Suite 203
Los Angeles, California 90028

"ORIGINAL WITHDRAWING MEMBER"

_____
Gary DePew

"MEMBERS"

By: _____
Gary DePew, President of Villij Media, Inc.,
Attorney-in-Fact for all of the Members who
have executed Subscription Agreements

(THIS PAGE INTENTIONALLY LEFT BLANK)

EXHIBIT B

SUBSCRIPTION DOCUMENTS

VILLIJ MEDIA I, LLC

a California Limited Liability Company

20 Units ($10,000 Per Unit)

Minimum Investment: One Unit ($10,000)

INSTRUCTIONS FOR SUBSCRIPTION

To Subscribe

1. Subscription Agreement

   Please execute the signature page and return with the Purchaser Questionnaire.

2. Purchaser Questionnaire

   Please complete and return with your executed signature page.

3. Please make check payable to:

VILLIJ MEDIA, INC.

SUBSCRIPTION AGREEMENT
AND POWER OF ATTORNEY

Name of Investor:_____
(Print)

Villij Media I, LLC
6115 Selma Avenue, Suite 203
Los Angeles, California 90028
Attention: Gary DePew, President of Manager

Re: Villij Media I, LLC - Limited Liability Interests (the "Units")

Gentlemen:

1. *Subscription.* The undersigned hereby tenders this subscription and applies to purchase the number of Units in Villij Media I, LLC (the "Company") indicated below, pursuant to the terms of this Subscription Agreement. The purchase price of each Unit is twenty five thousand dollars ($25,000), payable in cash in full upon subscription. The undersigned further sets forth statements upon which you may rely to determine the suitability of the undersigned to purchase the Units. The undersigned understands that the Units are being offered pursuant to the Confidential Private Placement Memorandum, dated May 15, 2014 and its exhibits (the "Memorandum"). In connection with this subscription, the undersigned represents and warrants that the personal, business and financial information contained in the Purchaser Questionnaire is complete and accurate, and presents a true statement of the undersigned's financial condition.

2. *Representations and Understandings.* The undersigned hereby makes the following representations, warranties and agreements and confirms the following understandings:

(i) The undersigned is acquiring the Units for investment purposes, for the undersigned's own account only, with no intention or view to distributing the Units or any participation or interest therein.

(ii) The undersigned has received a copy of the Memorandum, has reviewed it carefully, and has had an opportunity to question representatives of the Company and obtain such additional information concerning the Company as the undersigned requested.

(iii) The undersigned has sufficient experience in financial and business matters to be capable of utilizing such information to evaluate the merits and risks of the undersigned's investment, and to make an informed decision relating thereto; or the undersigned has utilized the services of a purchaser representative and together they have sufficient experience in financial and business matters that they are capable of utilizing such information to evaluate the merits and risks of the undersigned's investment, and to make an informed decision relating thereto.

(iv) The undersigned has evaluated the risks of this investment in the Company, including those risks particularly described in the Memorandum, and has determined that the investment is suitable for him. The undersigned has adequate financial resources for an investment of this character, and at this time he could bear a complete loss of his investment. The undersigned understands that any projections which may be made in the Memorandum are mere estimates and may not reflect the actual results of the Company's operations.

(v) The undersigned understands that the Units are not being registered under the Securities Act of 1933, as amended (the "1933 Act") on the ground that the issuance thereof is exempt under Section 4(2) of the 1933 Act and Rule 506 of Regulation D promulgated thereunder, and that reliance on such exemption is predicated in part

on the truth and accuracy of the undersigned's representations and warranties, and those of the other purchasers of Units.

(vi) The undersigned understands that the Units are not being registered under the securities laws of any state on the basis that the issuance thereof is exempt as an offer and sale to purchasers in such state meeting certain investor suitability standards with respect to income, net worth, knowledge and sophistication. The undersigned understands that reliance on such exemptions is predicated in part on the truth and accuracy of the undersigned's representations and warranties and those of other purchasers of Units. The undersigned covenants not to sell, transfer or otherwise dispose of a Unit unless such Unit has been registered under the applicable state securities laws, or an exemption from registration is available.

(vii) The undersigned has (i) a net worth (or joint net worth with spouse) of at least $1,000,000, or (ii) an annual gross income during the previous two years, and reasonably expects to have gross income in the current year, of at least $200,000 (or $300,000 collectively with spouse), or (iii) otherwise meets the criteria for being an "Accredited Investor" as defined in Rule 501 of Regulation D promulgated under Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"), or (iv) is the beneficiary of a fiduciary account, or, if the fiduciary of the account or other party is the donor of funds used by the fiduciary account to make this investment, then such donor, who meets the requirements of either (i), (ii) or (iii) above.

(viii) The undersigned has no need for any liquidity in his investment and is able to bear the economic risk of his investment for an indefinite period of time. The undersigned has been advised and is aware that: (a) there is no public market for the Units and it is not likely that any public market for the Units will develop; (b) it may not be possible to liquidate the investment readily; (c) the undersigned must bear the economic risk of his investment in the Units for an indefinite period of time because the Units have not been registered under the 1933 Act and applicable state law or an exemption from such registration is available; (d) a legend as to the restrictions on transferability of the Units referred to herein will be made on the document evidencing the Unit, and (e) a notation in the appropriate records of the Company will be made with respect to any restrictions on transfer of Units.

(ix) All contacts and contracts between the undersigned and the Company regarding the offer and sale to him of Units have been made within the state indicated below his signature on the signature page of this Subscription Agreement and the undersigned is a resident of such state.

(x) The undersigned has relied solely upon the Memorandum and independent investigations made by him or his purchaser representative with respect to the Units subscribed for herein, and no oral or written representations beyond the Memorandum have been made to the undersigned or relied upon by the undersigned.

(xi) The undersigned agrees not to transfer or assign this subscription or any interest therein.

(xii) The undersigned hereby acknowledges and agrees that, except as may be specifically provided herein, the undersigned is not entitled to withdraw, terminate or revoke this subscription.

(xiii) If the undersigned is a partnership, corporation or trust, it has been duly formed, is validly existing, has full power and authority to make this investment, and has not been formed for the specific purpose of investing in the Units. This Subscription Agreement and all other documents executed in connection with this subscription for Units are valid, binding and enforceable agreements of the undersigned.

(xiv) The undersigned meets any additional suitability standards and/or financial requirements which may be required in the jurisdiction in which he resides, or is purchasing in a fiduciary capacity for a person or account meeting such suitability standards and/or financial requirements, and he is not a minor.

(xv) The undersigned has a pre-existing business relationship with the Company, the Manager, or an officer, director, employee, referring party or consultant to the Company or the Manager, and was not solicited pursuant to any form of public advertisement, cold calling or general solicitation. The offer to sell the Units was directly communicated to the undersigned by the Company through the Memorandum in such a manner that the undersigned was able to ask questions of and receive answers from the Company, or a person acting on its behalf, concerning the terms and conditions of this transaction. At no time was the undersigned presented with or solicited

by or through any article, notice or other communication published in any newspaper or other leaflet, public promotional meeting, television, radio or other broadcast or transmittal advertisement or any other form of general advertising.

3. *Indemnification.* The undersigned hereby agrees to indemnify and hold harmless the Company and all of its affiliates, attorneys, accountants, employees, officers, directors, Members and agents from any liability, claims, costs, damages, losses or expenses incurred or sustained by them as a result of the undersigned's representations and warranties herein or in the Purchaser Questionnaire being untrue or inaccurate, or because of a breach of this agreement by the undersigned. The undersigned hereby further agrees that the provisions of Section 3 of this Subscription Agreement will survive the sale, transfer or any attempted sale or transfer of all or any portion of the Units. The undersigned hereby grants to the Company the right to setoff against any amounts payable by the Company to the undersigned, for whatever reason, of any and all damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees) which are incurred by the Company or any of its affiliates as a result of matters for which the Company is indemnified pursuant to Section 3 of this Subscription Agreement.

4. *Taxpayer Identification Number/Backup Withholding Certification*. Unless a subscriber indicates to the contrary on the Subscription Agreement, he will certify that his taxpayer identification number is correct and, if not a corporation, IRA, Keogh, or Qualified Trust (as to which there would be no withholding), he is not subject to backup withholding on interest or dividends. If the subscriber does not provide a taxpayer identification number certified to be correct or does not make the certification that the subscriber is not subject to backup withholding, then the subscriber may be subject to twenty-eight percent (28%) withholding on interest or dividends paid to the holder of the Units.

5. *Governing Law.* This Subscription Agreement will be governed by and construed in accordance with the laws of the State of California. The venue for any legal action under this Agreement will be in the proper forum in the City of Los Angeles, State of California.

6. *Acknowledgement of Substantial Risks*. The undersigned has carefully reviewed, thoroughly understands and hereby acknowledges the significant risks that are entailed in this investment, as described in detail under "RISK FACTORS" in the Memorandum.

7. *Special Power of Attorney.* The undersigned hereby appoints and constitutes Gary DePew as the undersigned's attorney-in-fact with power and authority to act in the undersigned's name and on the undersigned's behalf to execute, verify, acknowledge, deliver and file the Operating Agreement for the Company, any other documents, instruments, certificates or agreements necessary to effect the existence and continuation of the Company, any amendments to said documents, instruments, certificates or agreements, and any documents evidencing the admission of Members, which may be made by the Manager without obtaining the consent of the undersigned, or with obtaining such consent so long as it has been obtained. This special power of attorney is coupled with an interest, is irrevocable, and shall survive any transfer of Units or the death of the undersigned.

The undersigned has (have) executed this Subscription Agreement on this _____ day of _____, 2014..

SUBSCRIBER (1)	**SUBSCRIBER (2)**
_____	_____
Signature	Signature
_____	_____
(Print Name of Subscriber)	(Print Name of Subscriber)
_____	_____
(Street Address)	(Street Address)
_____	_____
(City, State and Zip Code)	(City, State and Zip Code)
_____	_____
(Social Security or Tax Identification Number)	(Social Security or Tax Identification Number)

Number of Units _____

Dollar Amount of Units (At $25,000 per Unit) _____

PLEASE MAKE CHECKS PAYABLE TO: **"VILLIJ MEDIA, INC."**

MANNER IN WHICH TITLE IS TO BE HELD:

☐ Community Property*	☐ Individual Property
☐ Joint Tenancy With Right of Survivorship*	☐ Separate Property
☐ Corporate or Fund Owners **	☐ Tenants-in-Common*
☐ Pension or Profit Sharing Plan	☐ Tenants-in-Entirety*
☐ Trust or Fiduciary Capacity (trust documents must accompany this form)	☐ Keogh Plan
☐ Fiduciary for a Minor	☐ Individual Retirement Account
* Signature of all parties required ** In the case of a Fund, state names of all partners.	☐ Other (Please indicate) _____

SUBSCRIPTION ACCEPTED:

VILLIJ MEDIA I, LLC

By: _____ _____
Gary DePew, President of Manager DATE

PURCHASER QUESTIONNAIRE

Villij Media I, LLC
6115 Selma Avenue, Suite 203
Los Angeles, CA 90028

Attention: Gary DePew, President of Manager

Re: Villij Media I, LLC

Gentlemen:

The following information is furnished to you in order for you to determine whether the undersigned is qualified to purchase Units of common stock (the "Units") in the above referenced Company pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Act"), Rule 506 of Regulation D promulgated thereunder, and appropriate provisions of applicable state securities laws. I understand that you will rely upon the following information for purposes of such determination, and that the Units will not be registered under the Act in reliance upon the exemption from registration provided by Section 4(2) of the Act, Rule 506, and appropriate provisions of applicable state securities laws.

ALL INFORMATION CONTAINED IN THIS QUESTIONNAIRE WILL BE TREATED CONFIDENTIALLY. However, I agree that you may present this questionnaire to such parties as you deem appropriate if called upon to establish that the proposed offer and sale of the Units is exempt from registration under the Act or meets the requirements of applicable state securities laws.

I hereby provide you with the following representations and information:

1. Name: _____

2. Based on the definition of an "Accredited Investor" which appears below, I am an Accredited Investor. (Initial appropriate category): ☐ Yes ☐ No

If the answer is Yes, check the appropriate box below and go to question number 4.

I understand that the representations contained in this section are made for the purpose of qualifying me as an accredited investor as the term is defined by the Securities and Exchange Commission for the purpose of selling securities to me. I hereby represent that the statement or statements initialed below are true and correct in all respects. I am an Accredited Investor because I fall within one of the following categories *(initial or check appropriate category)*:

☐ A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds $1,000,000;

☐ A natural person who had an individual income in excess of $200,000 in each of the two most recent years and who reasonably expects an income in excess of $200,000 in the current year;

☐ My spouse and I have had joint income for the most two recent years in excess of $300,000 and we expect our joint income to be in excess of $300,000 for the current year;

☐ Any organization described in Section 501(c)(3) of the Internal Revenue Code, or any corporation, Massachusetts Business Trust or Fund not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

☐ A bank as defined in Section 3(a)(2) of the Securities Act whether acting in its individual or fiduciary capacity; insurance company as defined in Section 2(12) of the Securities Act, investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(1)(48) of that Act; or Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

☐ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

☐ An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is to be made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000;

☐ An entity in which all of the equity owners are Accredited Investors under the above paragraph.

3. The undersigned (a) has a net worth (exclusive of home, home furnishings and automobiles) of at least $50,000 and an annual gross income of at least $50,000, or (b) has a net worth (exclusive of home, home furnishings and automobiles of at least $200,000), or (c) a net worth (or joint net worth with spouse) equal to ten times the amount of the purchaser's investment in the Units, or (d) is the beneficiary of a fiduciary account or, if the fiduciary of the account or other party is the donor of funds used by the fiduciary account to make this investment, then such donor, who meets the requirements of either (a), (b) or (c) above.

☐ Yes ☐ No

4. I represent to you that the information contained herein is complete and accurate and may be relied upon by you. I understand that a false representation may constitute a violation of law, and that any person who suffers damage as a result of a false representation may have a claim against me for damages. I will notify you immediately of any material change in any of such information occurring prior to the closing of the purchase of Units, if any, by me.

Signature _____

Telephone Number _____

Executed at: _____ on this _____ day of

_____, 2014.